

December 2025

CUSTOMER CARE

Benefits Committee Meeting



**Teacher Retirement System of
Texas**

4655 Mueller Blvd.
Austin, Texas 78723

**TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES
AND
BENEFITS COMMITTEE**

*All or part of the December 4, 2025, meeting of the TRS Benefits Committee and Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have a quorum and the presiding officer of the meeting physically present at the following location, which will be open to the public during the open portions of the meeting: **4655 Mueller Blvd, 2nd Floor, Boardroom.***

The open portions of the December 4, 2025, meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the meeting is provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

**AGENDA
December 4, 2025 – 10:00 a.m.**

1. Call roll of Committee members.
2. Consider the approval of the proposed minutes of the September 2025 committee meeting – Committee Chair.
3. Receive an update and consider the following regarding TRS pension services – Barbie Pearson, Adam Fambrough and Jennifer Gaisor:
 - A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for the September 2025 meeting;
 - B. Consider recommending to the Board approval of Benefit Payments for September through November 2025; and
 - C. Fiscal Year 2025 Annual Operational Update including the annual inactive accounts report.
4. Receive update and consider the following regarding TRS health insurance benefits program:
 - A. An update on the Retirees Advisory Committee for TRS-Care (RAC) meeting held on October 13, 2025 – Nancy Byler;
 - B. Consider recommending to the Board approval of the appointments of members to positions on the RAC – Cristina Juarez; and
 - C. TRS-ActiveCare annual enrollment and TRS-Care retiree engagement, including an update on Health Engagement – Katrina Daniel, Meaghan Bludau and Chris Herrick.

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Benefits Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

5. Receive the 2025 Member Satisfaction Survey Results – Sunitha Downing and Dr. Rene Paulson, Elite Research.

Minutes of the Benefits Committee September 18, 2025

The Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas met on September 18, 2025, in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd, Austin, Texas, 78723.

Committee members present:

Mr. Elvis Williams, Chair
Ms. Brittny Allred
Mr. Michael Ball
Ms. Laronda Graf
Mr. John R. Rutherford

Other TRS Board Members present:

Mr. David Corpus
Mr. John Elliott
Mr. Robert H. Walls, Jr.

Others who participated:

Brian Guthrie, TRS
Caasi Lamb, TRS
Don Green, TRS
Amanda Jenami, TRS
Barbie Pearson, TRS
Katrina Daniel, TRS
Heather Traeger, TRS
Katherine Farrell, TRS
Mark Chi, TRS
Chris Herrick, TRS
Suzanne Dugan, Cohen Milstein

Benefits Committee Chair, Mr. Elvis Williams, called the meeting to order at 9:05 a.m.

1. Call roll of Committee members.

Ms. Farrell called the roll. A quorum was present.

2. Consider the approval of the proposed minutes of the July 2025, Benefits Committee meeting – Chair Elvis Williams.

On a motion by Mr. Rutherford, seconded by Mr. Ball, the committee unanimously approved the proposed minutes for the July 2025 Benefits Committee meeting as presented.

3. Receive an update and consider the following regarding TRS pension benefits program:

A. Consider recommending to the Board acceptance of the Medical Board Meeting minutes for July 2025 – Barbie Pearson;

Ms. Barbie Pearson recommended to the Committee to recommend to the Board acceptance of the Medical Board meeting minutes for July 2025.

On a motion by Mr. Rutherford, seconded by Ms. Allred, the committee unanimously voted to recommend to the Board acceptance of the Medical Board meeting minutes for July 2025.

B. Consider recommending to the Board approval of Benefit Payments for June – August 2025 – Barbie Pearson;

Ms. Pearson recommended to the Committee to recommend to the Board the approval of benefit payment for June through August 2025.

On a motion by Mr. Ball, seconded by Mr. Rutherford, the committee unanimously voted to recommend to the Board approval of benefit payment for June through August 2025.

C. Receive a Pension Services Operational update including an overview of the Disbursement Team – Barbie Pearson and Mark Chi.

Ms. Pearson provided information on the workload through July 2025 due to the timing of the meeting and the end of the fiscal year. She said at the December meeting the full fiscal year report from Pension Services will be provided. She reported that all performance objectives were either met or exceeded for the period through July. She was pleased to share that the retirement team had hit their service level of 98 percent and is on target to meeting it for the fiscal year. She announced the efficiency update was the implementation of secure messages. She said initially it would take two and half days to respond and now the responses are sent within seven hours of receipt. She noted during the work week messages are responded to in under 30 minutes. Ms. Pearson concluded by reviewing other efficiency efforts being made to improve service to members and employers. Trustee Williams expressed appreciation to Ms. Pearson and her team for looking inward to do better to increase customer service and make sure members are getting a quality experience.

Mr. Mark Chi reviewed the tasks and responsibilities of the disbursement team. He said over 5.6 million payments amounting to \$12.4 billion in payments were issued through the end of July 2025. He noted that most of the payroll process is now largely automated. He said there are tasks the team continues to handle manually during different times of the month such as when members change banks or when a direct deposit does not go through for whatever reason a paper check is issued. He reported his team works with accounting and reporting to help mail out 1099 tax forms to annuitants, last fiscal year over 600,000 were mailed. Mr. Chi concluded by reviewing how Payroll Benefit Adjustment and Tax (PBT) will impact the disbursement team. He noted the new system allows proactive handling of exceptions and better monitoring, but it does not reduce the workload. He said the current staffing levels are appropriate to maintain the workload and uphold the team mission of issuing payments timely and accurately.

4. Receive update on TRS-Care and TRS-ActiveCare health plans, including an update on operations and customer service – Katrina Daniel and Chris Herrick.

Ms. Katrina Daniel provided a brief overview on ActiveCare and Care. She noted ActiveCare just wrapped up enrollment with about 1,000 employers participating, with three new employers joining.

Mr. Chris Herrick reviewed the Health Operations team which includes member service office, member coordination office, operational oversight and engagement. He provided an overview of what the teams accomplished over the last year. He said the member coordination office saw an 18 percent increase in member work items coupled with decreasing the amount of time to work the items by 25 percent. He reported dental and vision launched in the latter half of 2024 creating very high demand that was accomplished without additional resources. For member service offices, he said, the in-person office visits increased 200 percent year over year with over 900 in-person visits this year. Member services office also received a 4.7 on a scale of one to five on the member survey performed at the end of the counselors phone calls. He reviewed ongoing efforts of continuous improvements to streamline work and increase efficiencies. Mr. Herrick concluded by sharing the collaboration between the engagement and operations team in mailing out over 330,000 information packets to retirees followed by holding health fairs in 16 different cities around the State.

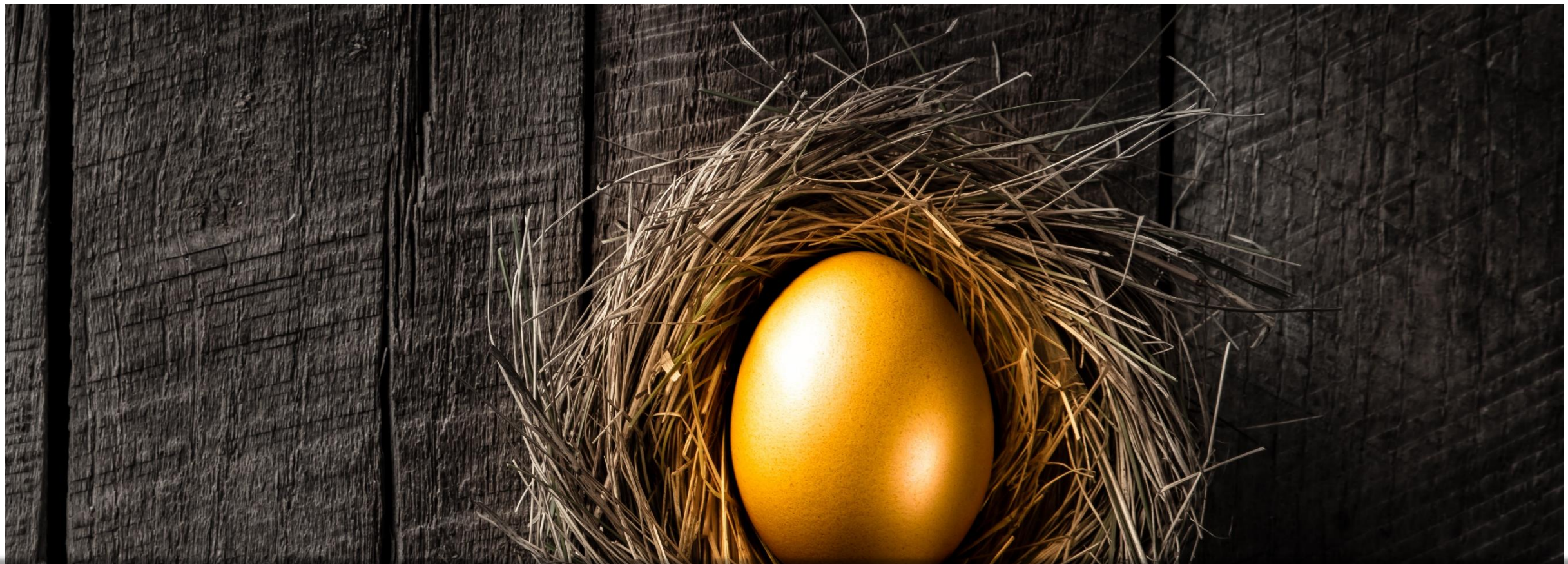
There being no more business before the Benefits Committee, the committee adjourned at 10:14 a.m.

Approved by the Benefits Committee of the Board of Trustees of the Teacher Retirement System of Texas on December____, 2025.

Katherine H. Farrell
Secretary of the TRS Board of Trustees

Date

TAB 3



Pension Services

Presentation Date: Dec. 4, 2025

Presented By: Barbie Pearson, Adam Fambrough and
Jennifer Gasior



Agenda



1

Pension Services at a Glance

2

Member Services

3

Account Services

4

Benefit Operation Support

5

Pension Services Accomplishments

6

Pension Services Initiatives



Pension Services at a Glance



Key Updates

FY 25 Performance Objectives

Achieved all metrics

FY 25 Year End

Annual Statements
RE Reports

Retirement Update

26,092 adds to payroll
2% decrease from FY24

Transactions and Interactions

Member Transactions
900,596

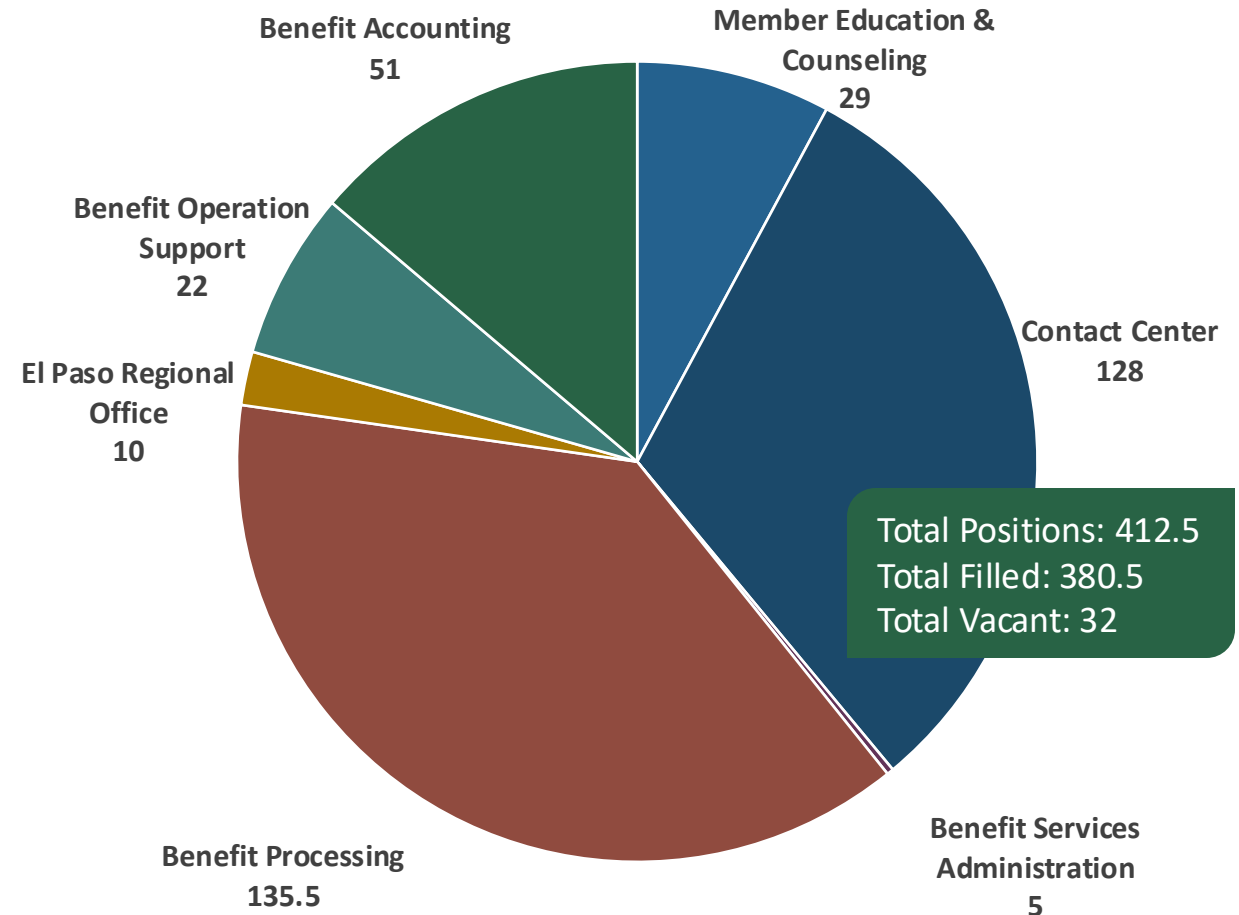


52 valid complaints
(0.0028%)

Member Interactions
972,783

September 2024 – August 2025

Staffing – Filled Positions





Member Services Workload



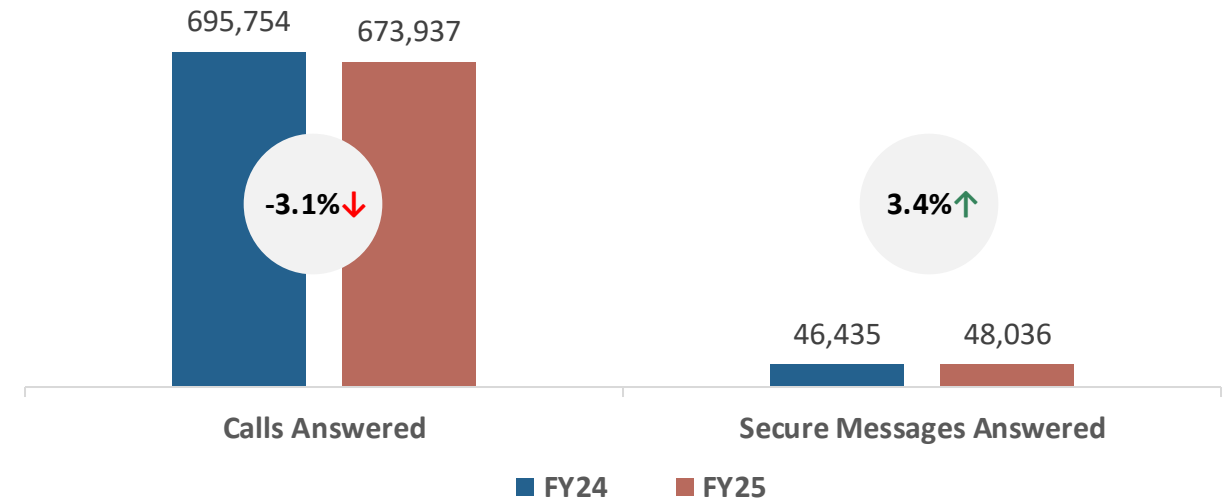
Contact Center



- 673,937 calls answered, 3.1% decrease
- 97% answered within 3 minutes
- 17 second average speed to answer



- 48,032 messages answered, 3.4% increase
- 6-hour average speed to answer



Member Education and Counseling



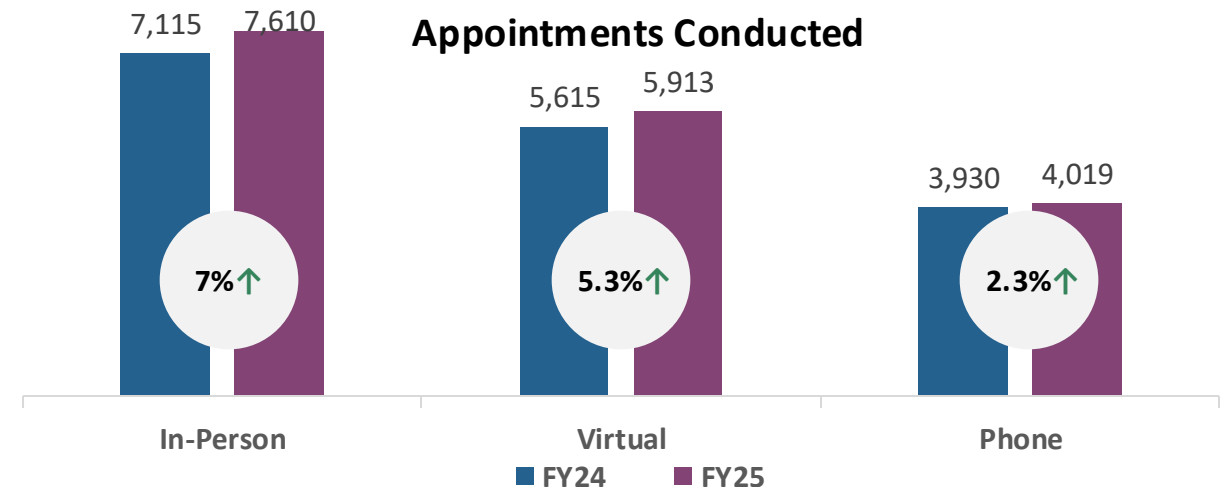
Conducted 121 presentations, 26% increase

78 in-person presentations
• 35 locations around Texas

43 Virtual Presentations

7,928 Presentation Attendees

Appointments Conducted





Member Services Objectives



Business Activity	Objectives	FY Target	Q1	Q2	Q3	Q4	FY25 Sept-Aug
Telephone Calls	Calls answered within three minutes	90%	98%	93%	99%	96%	97%
	Average speed of answer (minutes/seconds)		0:11	0:30	0:06	0:20	0:17
Office Visits (Austin)	Number of office visits available annually	20,000	4,212	4,772	5,555	5,773	20,312
Conducted	In-Person		1,176	1,238	1,571	1,336	5,321
	Live Video		937	1,307	1,344	603	4,191
	Telephone		678	827	927	501	2,933
	Walk-Ins		310	266	382	471	1,429
Office Visits (El Paso)	Number of office visits available annually	7,500	1,104	1,599	2,449	2,670	7,822
Conducted	In-Person		413	394	594	454	1,855
	Live Video		201	343	593	585	1,722
	Telephone		106	237	373	370	1,086
	Walk-Ins		533	98	80	134	845



Member Services – Employer Engagement Plan



Objective: *To strengthen partnerships with Reporting Employers by equipping them with tools and resources to effectively support new employees in understanding TRS benefits, ultimately enhancing early-career member engagement and long-term retirement planning.*



- Pilot Regional Engagement
- Comprehensive Employer Toolkit
- Multi-Channel Approach
- Phased Implementation
- Measuring Success



Member Services – Rio Grande Valley Regional Office



McAllen, TX location selected at September 2025 board meeting



Director hired effective Nov. 1, 2025



Hiring eight counselors once lease is signed



Members Eligible to Retire

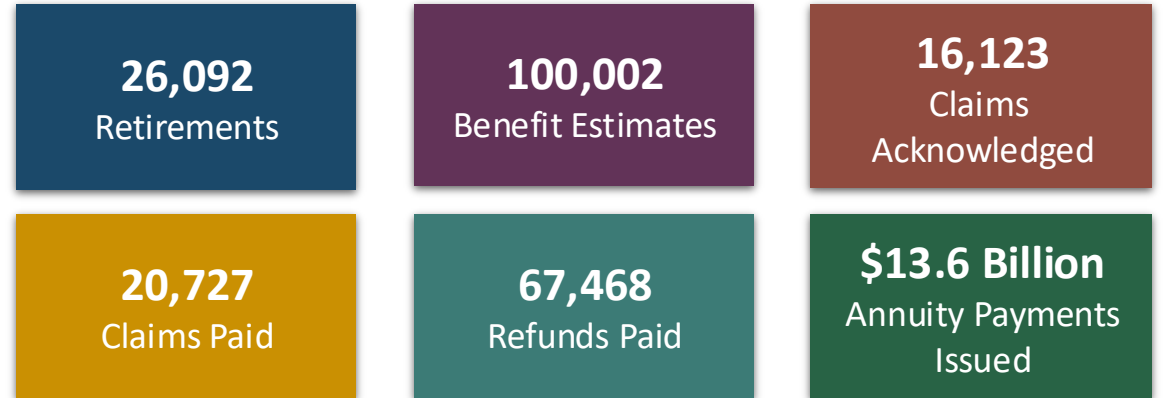
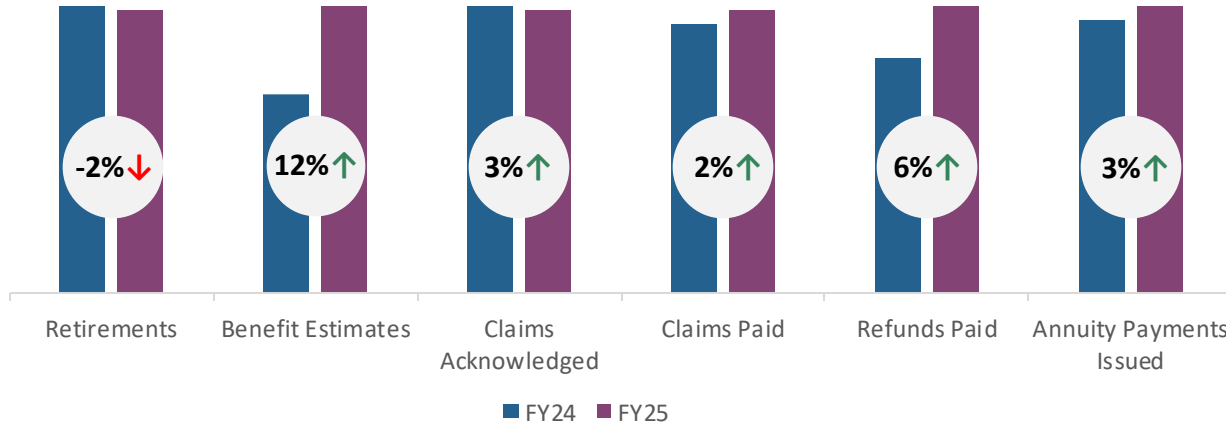
Region	Already Eligible	2026	2027	2028	2029	2030	2031	Total
1- Edinburg	12,372	3,094	3,596	3,802	4,019	4,618	4,173	35,674
2- Corpus Christi	3,405	852	986	980	1,083	1,481	1,063	9,850
Total	15,777	3,946	4,582	4,782	5,102	6,099	5,236	45,524



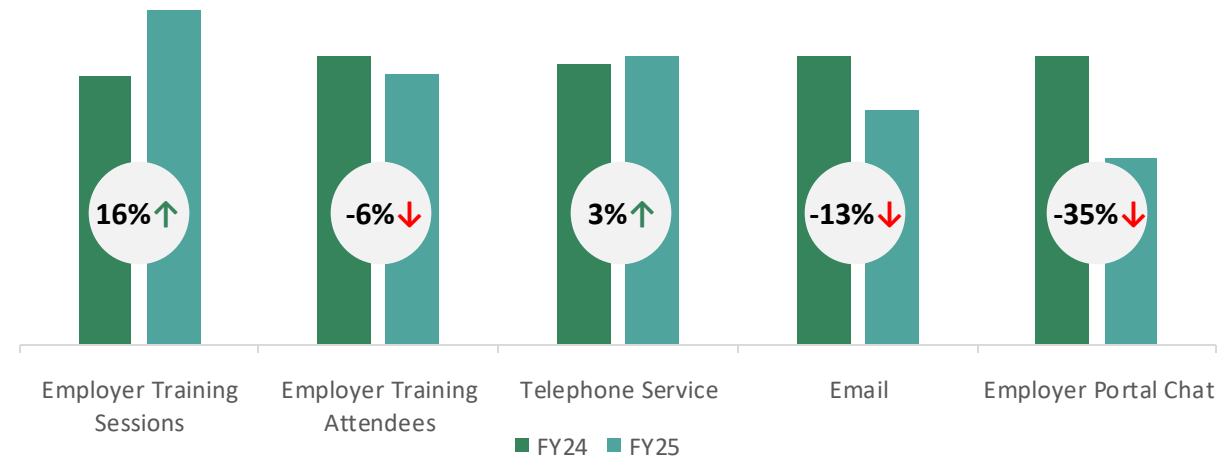
Account Services Workload



Account Services



Employer Customer Support





Account Services Objectives



Business Activity	Objectives	FY Target	Q1	Q2	Q3	Q4	FY25 Sept-Aug
Refunds	Refunds validated within five business days of receiving final deposit and all paperwork	95%	100%	100%	100%	100%	100%
Benefit Estimates	Benefit estimates mailed within 31 days of request	95%	100%	100%	100%	100%	100%
Retirements	Retirees received first annuity payment within 31 days	98%	98%	98%	98%	99%	98%
Death Claims (acknowledged)	Claims acknowledged within 14 days of receipt of death notification	95%	99%	99%	99%	98%	99%
Death Claims (payments)	Claims payments issued within 31 days of receipt of all required paperwork	95%	99%	99%	99%	99%	99%
Reporting Employer	Regular payroll reports completed by the end of each quarter (cumulative for fiscal year)	90%	99%	99%	99%	99%	99%



Inactive Accounts



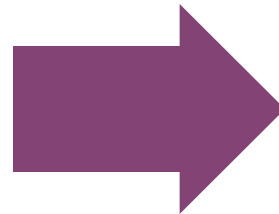
Background

TRS is required to make reasonable efforts to locate and notify members with inactive accounts or, if appropriate, the member's heirs of their entitlement to a return of contributions. TX Gov't Code § 825.502

The board of trustees adopted the Inactive Account Outreach Policy on Dec. 7, 2021. Policy requires staff to provide an annual update on outreach efforts.

September 2024 –
August 2025

- 9,848 letters mailed



Results

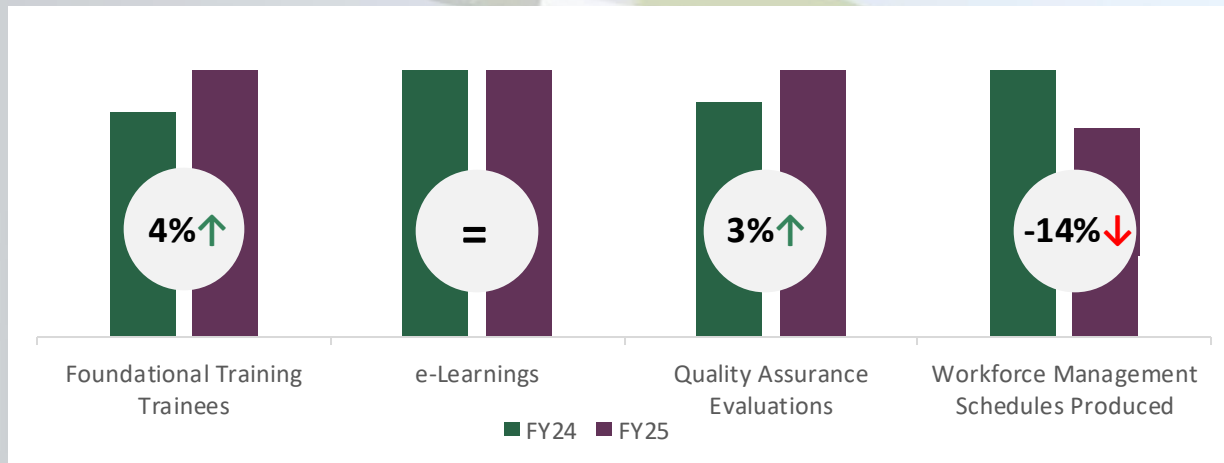
- \$21,801,537 paid to 5,426 members



Benefit Operation Support Objectives and Workload



Business Activity	Objectives	FY Target	Q1	Q2	Q3	Q4	FY25 Sept-Aug
Foundational Training	Provided pension benefits foundational classroom training for all new hires (cumulative)	100%	100%	100%	N/A	100%	100%
Quality Assurance	Number of telephone interactions evaluated	11,500	2,954	3,087	3,066	2,516	11,623
	Number of virtual office visits evaluated	1,200	211	392	467	448	1,518



Foundational Training

- 7 Classes
- 20 Trainees
- 261 Knowledge-Base Updates

E-Learning

- 10 e-Learning
- 24 Instructional Materials
- 50 Supplemental Materials

Quality Assurance

- 11,623 Call Evaluations
- 1,518 Office Visit Evaluations
- 363 Recording Requests

Workforce Management

- 58,356 Schedules Produced
- 46,350 Schedule Changes
- 1,040 Real Time Adherence Occurrences



Accomplishments



Account Services

- Retirement Certification Process Enhancements
- Created and published instructional video for Reporting Employers for new Retirement Certification Process

Member Services

- Improved Secure Message response time by changing message routing process
- Launched the "TRS Essentials: What You Need to Know" webinar series to expand member education

Benefit Operation Support

- Provided on-the-job and soft skills training to over 300 employees

Pension Policy

- Benefit Feasibility Study for Peace Officers
- Successfully completed RFP process for Actuarial Services



Initiatives



Contact Center – IVR Redesign and Agent Assist

Employer Engagement Plan

New Rio Grande Valley Regional Office

Reporting Employer Training Enhancements

Final Phase of TRUST- PBT





Questions



Questions?



Appendix



Staff Accomplishments and Awards



Bushel of Fun

Marisa Beaver	Kiara Smith
Vanessa Boston	Michael Stanbury
Carmen Escabi	Rachel Tomlinson
Layla Garcia	Jonathan Andrusak
Delia Gonzales	Mark Chi
Cristian Hernandez	Massiel Pastor
Scott Kerkam	Nicholas Kelly
Brianna Kneip	Taryn Sabra
Kathryn Marin	James Cross
Meghan Martin	Chey Fowler
Sarah Pheasant	Ashley Hodridge
Crystal Stewart	Suanne Ramirez
Shannah Angus	Jared Shickles
Kimberly Carroll	
Melissa Casas	
Krishella Chandler- Robinson	



Peck of Thanks

Elena Ochoa	Samantha Andersen	Christian Swanson
Nathan Farmer	Erica Morales	Sara Reeder
Scott Kerkam	Shavon Thornton	Crystal Orozco
Alexis Cetina	Kimberly Carroll	Nicole Evans
Layla Garcia	Amber Rasool Hussain	Margo Connell
Brianna Hunter	Kayla Mitchell	Maria Garza
Marlene Perez	Charity Grace	Jason Swisher
Liliana Hernandez	Daniel O'Neill	Carolyn Ortega
Kristina Tovar-Quiroz	Diana Lazaro	David Green
Bria Nevels	Stephanie Artz	Yvette Zepeda
Shyra Henry	Anita Washington	Alexis Martin
Linda Davis	Julie Garza	Tanya Padilla
Chandra Sims	Stephanie Garcia	Cynthia Garza
Lisa Carmona	Melissa Casas	Joseph Munoz
LeeAnna Deason	Maria Ayoub	Mihashi Turner
	Katheryne Grahm	



Degrees and Certifications

Brianna Hunter – BA Business
Management



Golden Apple

Maya Quintero

TAB 4



TRS Health

Thursday, Dec. 4, 2025

Katrina Daniel, Chief Health Care Officer
Nancy Byler, Chair, Retirees Advisory Committee
Meaghan Bludau, Chief of Staff, Health Division
Chris Herrick, Deputy Chief, Health Operations
Cristina Juarez, Manager, Health Engagement



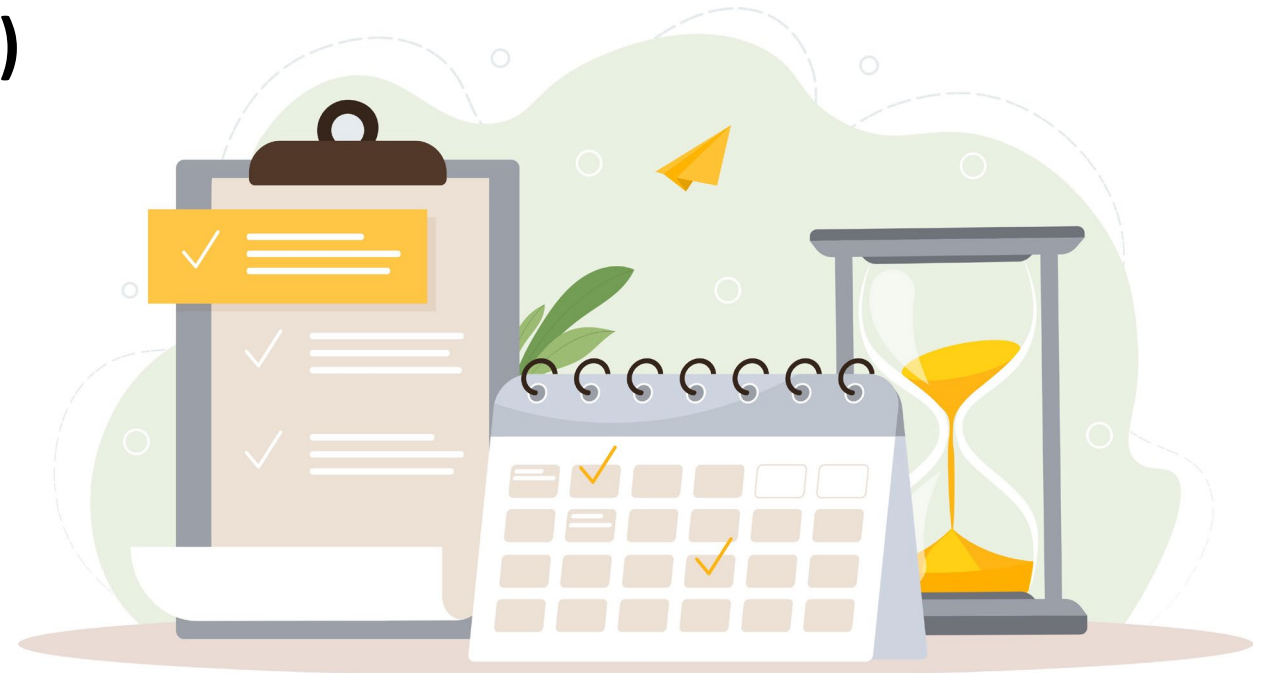


Health Agenda



MEMBER
Focused

- **Update on October Retirees Advisory Committee (RAC) meeting**
- **RAC Term Renewals (action item)**
- **TRS-ActiveCare Update**
- **TRS-Care Update**
- **Spotlight on Health Engagement**

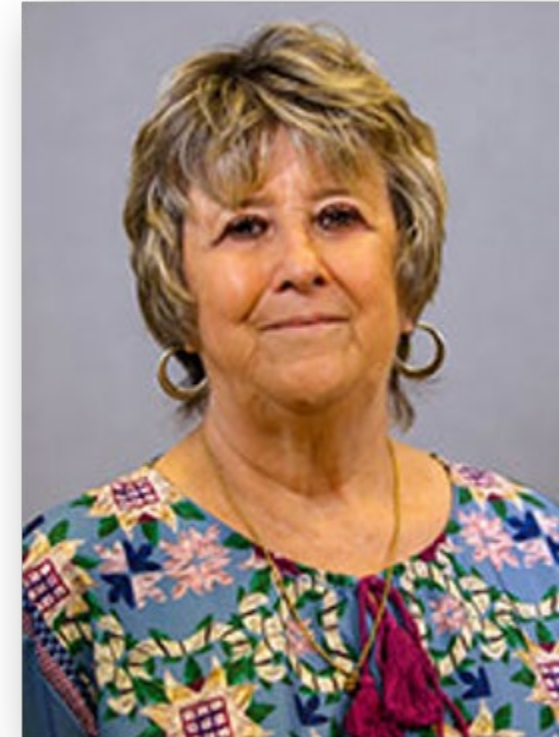




TRS-Care Retirees Advisory Committee (RAC) Update



Nancy Byler,
RAC Chair





RAC Term Renewals



Four RAC terms are ending on Jan. 31, 2026



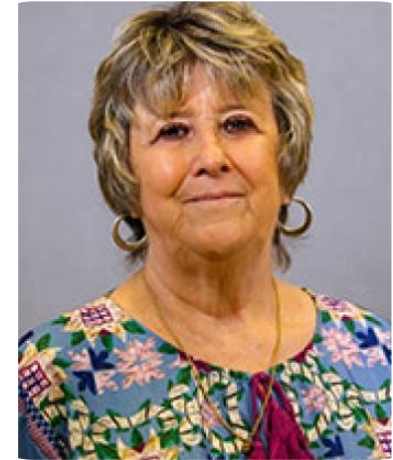
Active School
Administrator Position



Active Teacher
Position



Retired Teacher
Position



Retired Teacher
Position

*Current members wish to extend their service for another term
(ending on Jan. 31, 2030)*



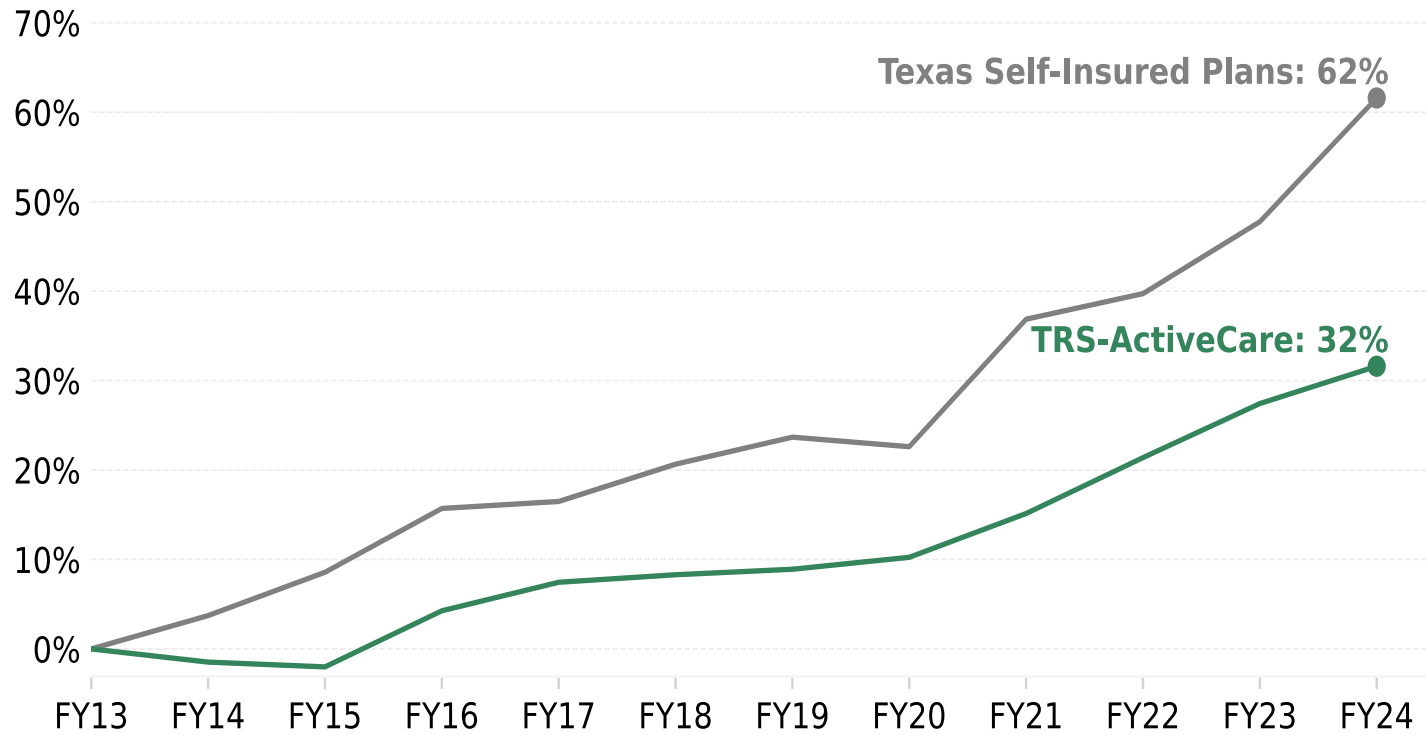
TRS-ActiveCare Update

Meaghan Bludau, Chief of Staff, Health Division



TRS-ActiveCare: Cost Growth Below Self-Funded Peers

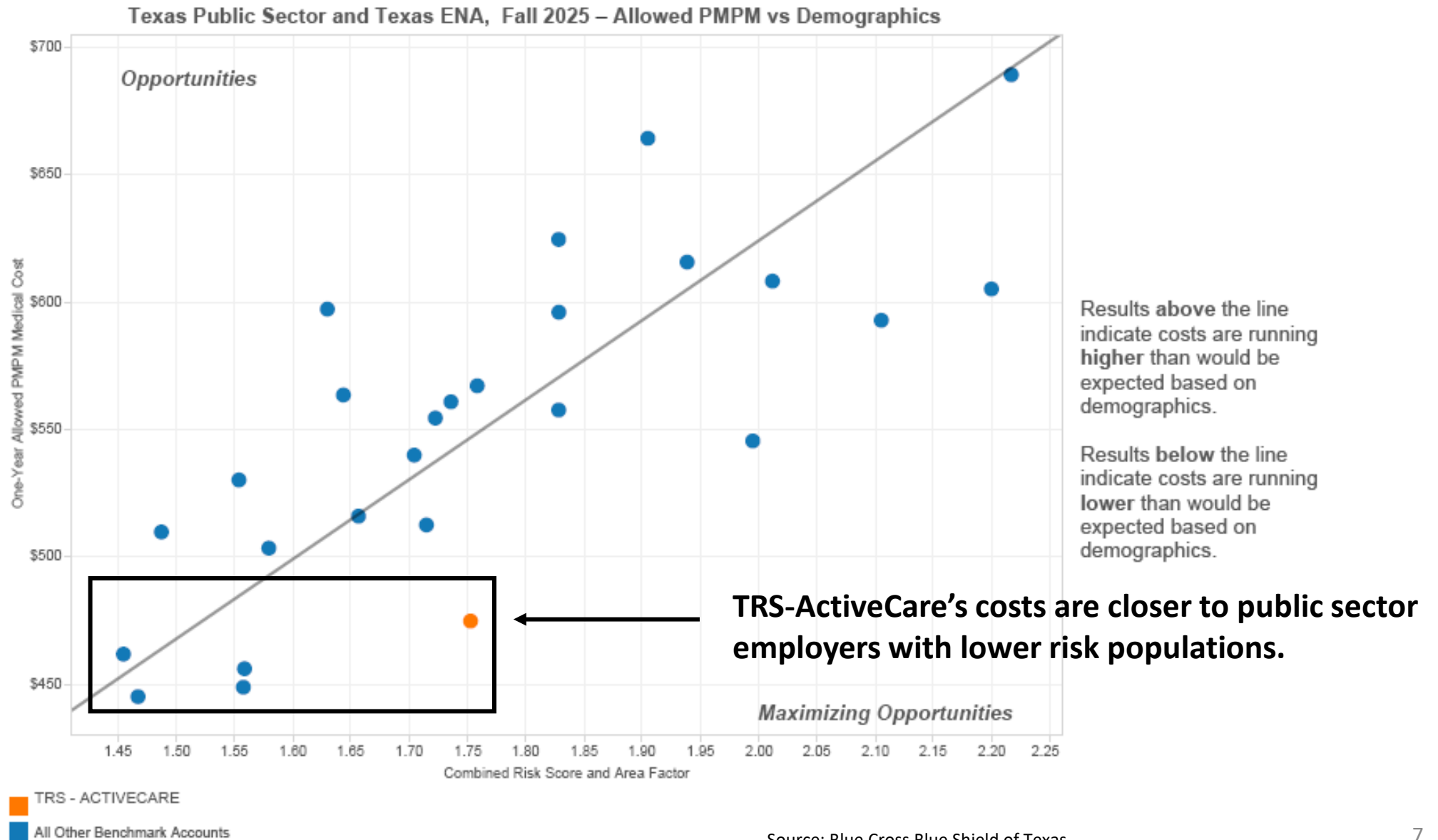
Cumulative Increase in Per Member Allowed Charges Since 2013



TRS per member cost growth has been nearly half that of peers



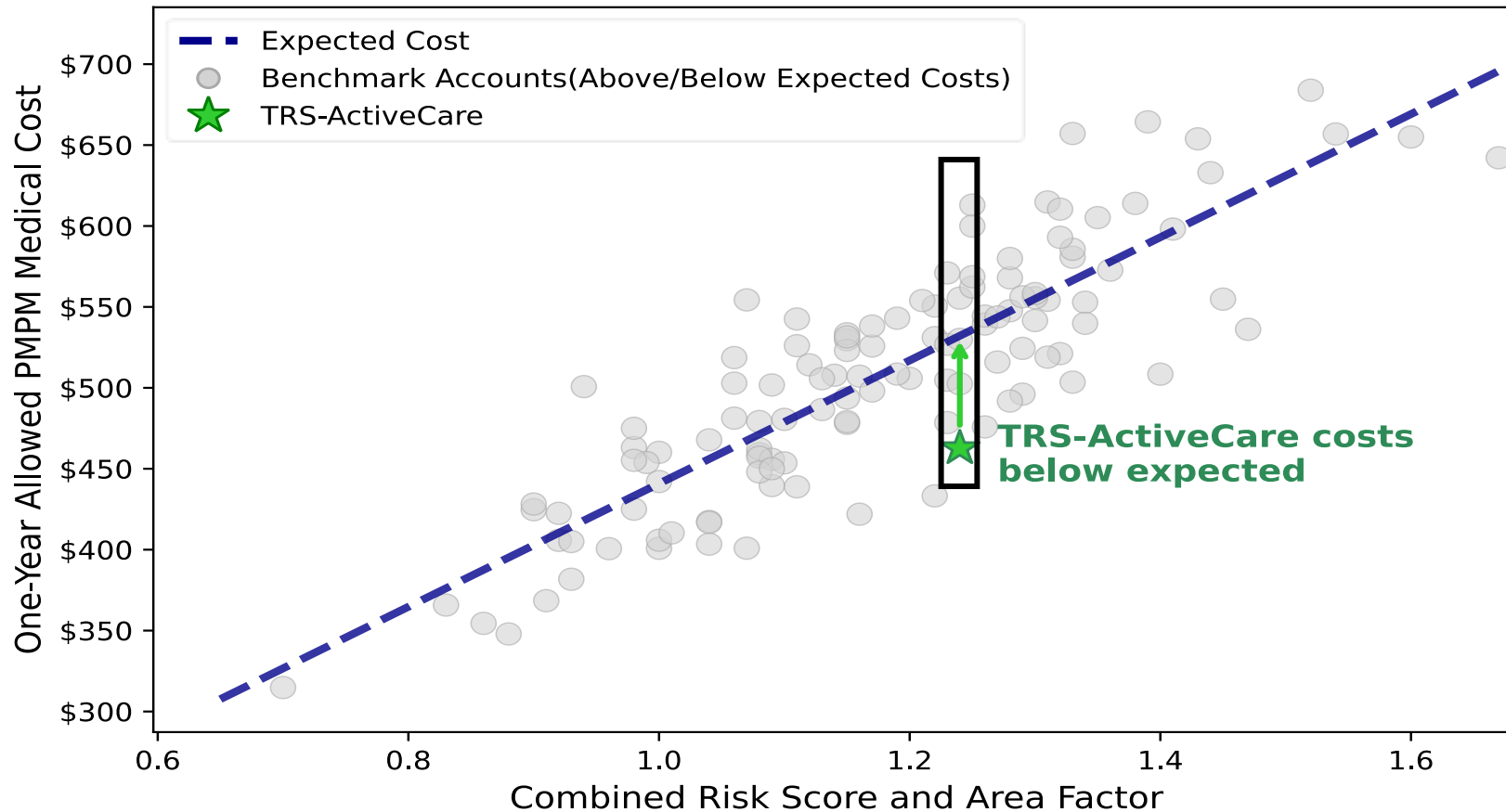
TRS-ActiveCare is Cost-Efficient Among Texas Public Sector Peers





TRS-ActiveCare is Cost-Efficient Compared to Self-Funded Peers

TRS Performance vs. Benchmark Expectation



TRS' cost management saves \$80 per member per month.

Based on the demographics and health needs of our population, the total medical costs per person is expected to be \$532 per month.

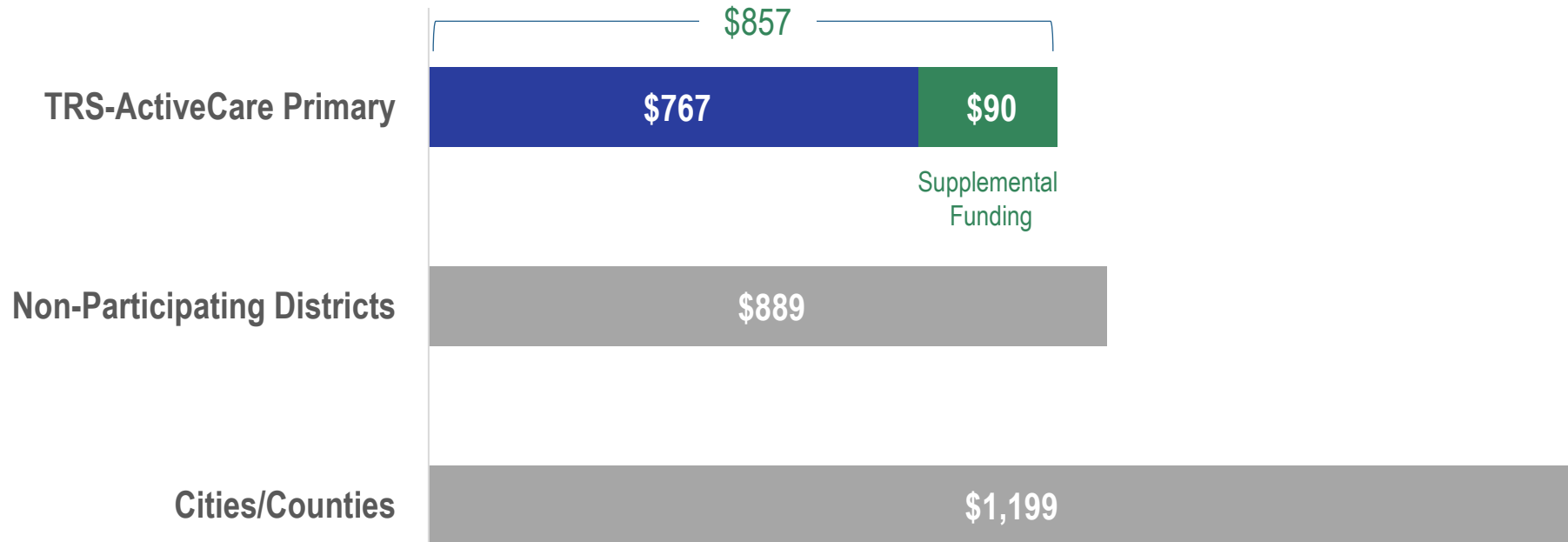
With plan management, FY2025 costs were lower at \$463 per month.

Source: Data includes large (2,000+ member) Blue Cross Blue Shield of Texas accounts.



TRS-ActiveCare: TRS Delivers an Affordable Product to Employers

TRS-ActiveCare Cost Comparison, FY2025



Source: Milliman Benchmarking Study, Milliman

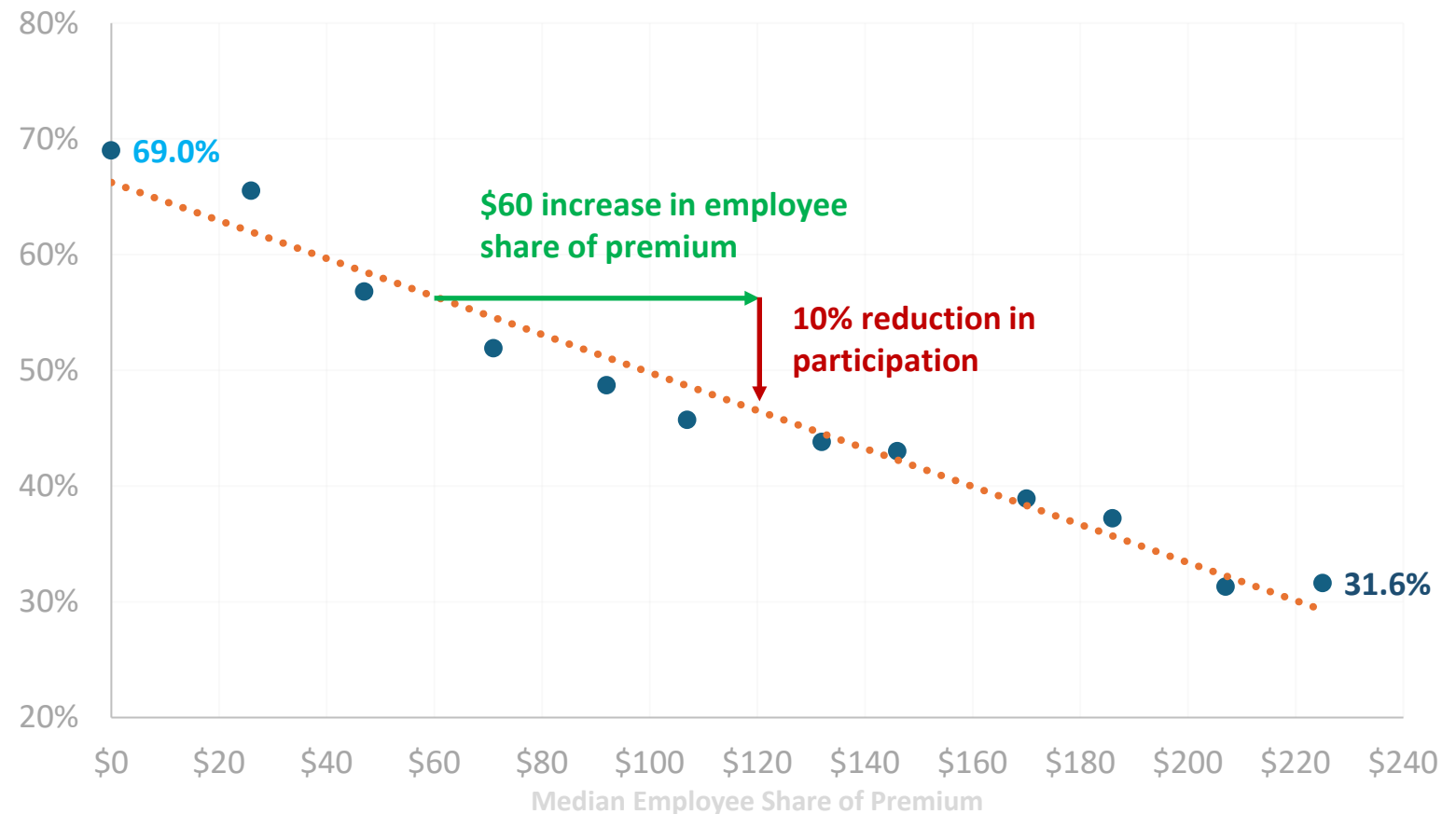
- TRS-ActiveCare Primary costs are 14% less than similar coverage in non-participating education employers after premiums are reduced due to supplemental funding.
- TRS-ActiveCare Primary costs are 4% less on average without supplemental funding.



Impact of Employee Share of Premium on Participation Rates

- Among support staff, about **69%** of employees with a monthly cost of <**\$20** enroll in coverage.
- Every **\$60 increase** in employee share of premium leads to about **10% reduction** in enrollment for support staff, bus drivers and food service employees.

Median Employee Share of Premium vs Participation Percentage
(Support Staff/Bus Drivers/Food Service Workers)

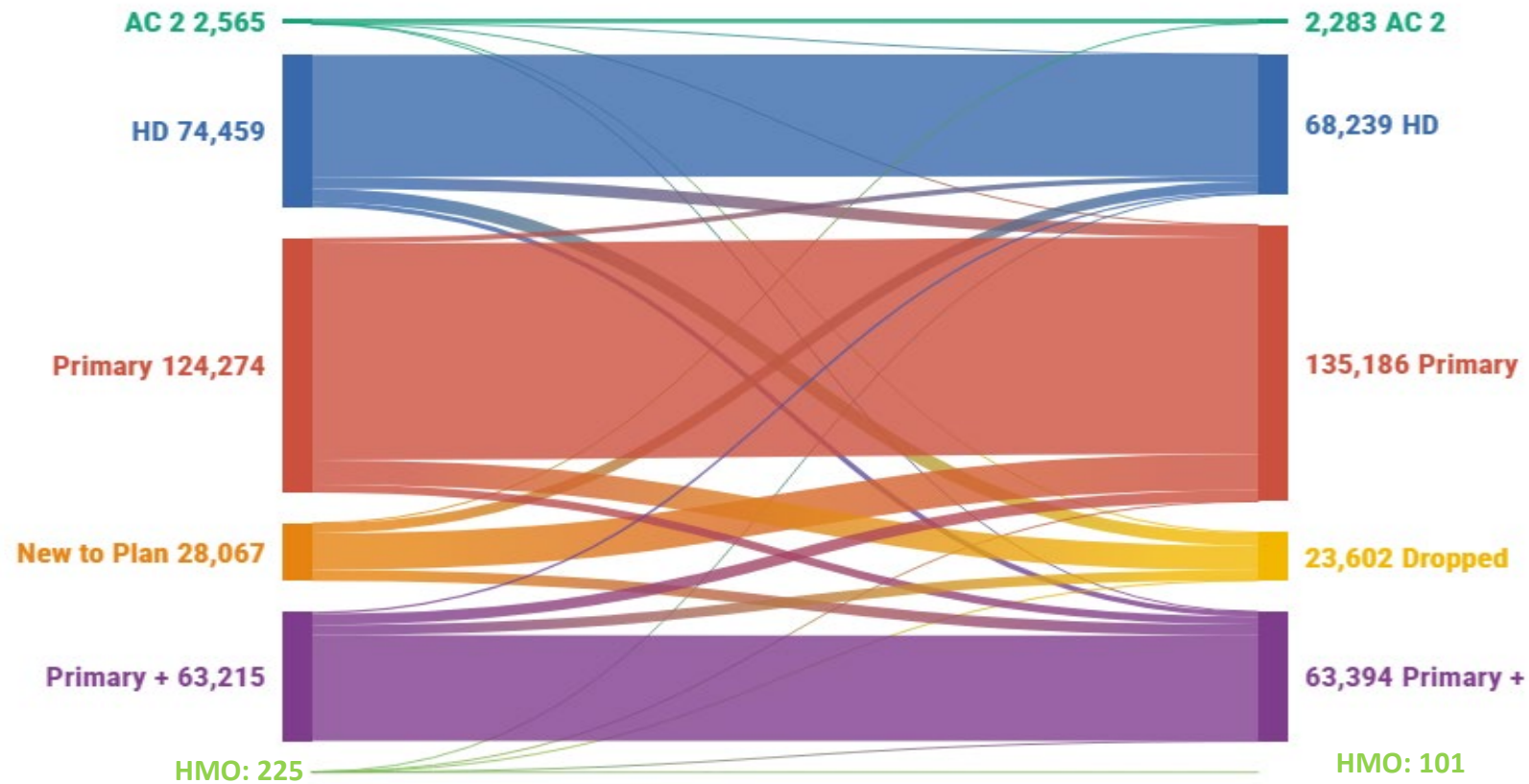


Source: TRS Internal Data Warehouse. FY2024. Enrollment data is based on ActiveCare plans and all plan tiers in participating districts. Percentages may change with new data. For about 1% of enrolled participants (4% all participants) missing/inaccurate salary were replaced with the median salary for that job class. Salary data represent employees only and do not account for dual income households. Contribution amounts are based on AC-Primary premium. For employees with multiple jobs, the primary job was used as their job class.



TRS-ActiveCare Enrollment Update for Plan Year 2025-26

Among Employers With **Continuous Participation**, **Employee Enrollment** in Primary Plan Increased Significantly Between August and September



Nearly 2/3 of employees that are new choose the Primary Plan

Source: TRS Internal Data Warehouse. Migration compares employee enrollment from August 2025 to September 2025. Counts represent employees (not members) in participating districts.



Rising Employer Participation, Decreasing Spousal Enrollment

- **Net gain of 10 employers in last two years**, underlining value to employers.
- **Enrollment in the family tier decreased by 12%** compared to September 2024.
- Enrollment in employee-only and employee + child stable compared to prior year.
- Employees new to the plan more likely to select the employee only tier each year, suggesting enrollment in tiers with dependents will continue to decrease each year.

TRS-ActiveCare Employer Participation Increasing; Slight Decrease in Overall Membership

	Employers Joined	Employers Left	Total Membership
24-Sep	10	1	423,970
25-Sep	3	2	413,461

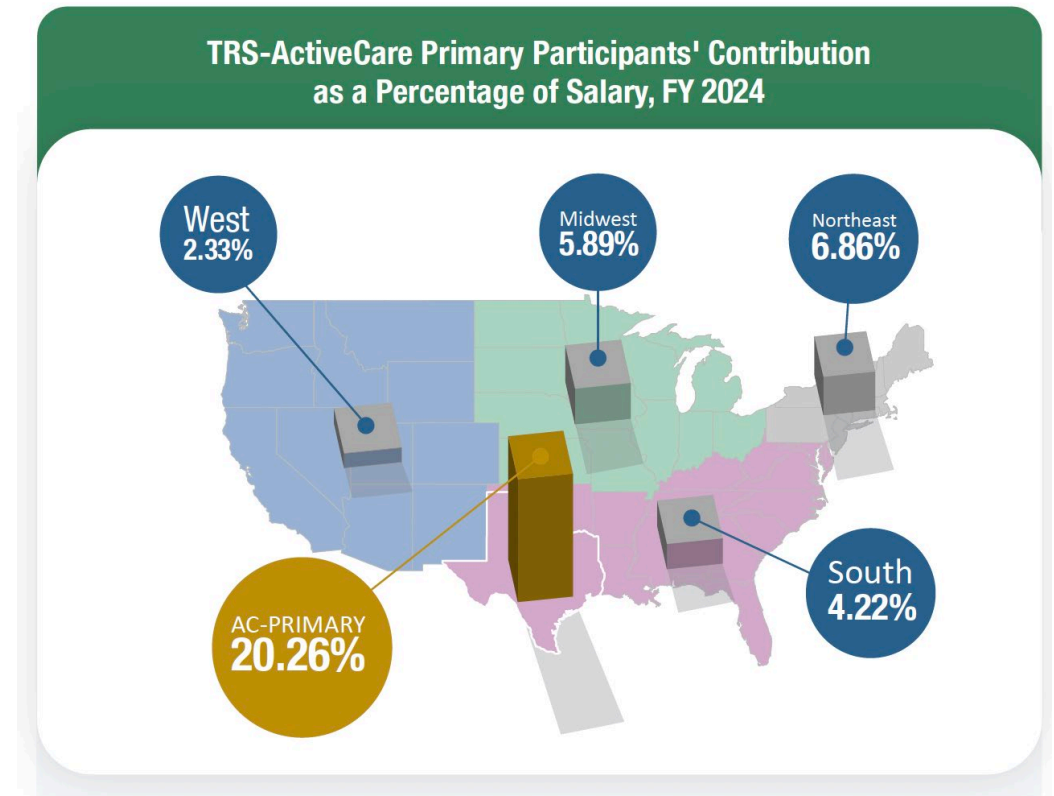
Count of Employees by Tier

	Employee Only	Employee + Child	Employee + Spouse	Employee + Family
Sep-24	200,427	59,754	4,732	8,368
Sep-25	198,842	58,808	4,365	7,390
Change	-1%	-2%	-8%	-12%



Decreasing Affordability for Family Tier Driving Enrollment Changes

- Enrollment in family tier is decreasing due to affordability
- Employees enrolled in TRS-ActiveCare Primary paid on average 20.26% of their salary to enroll in family coverage tier in FY2024
- This was five times higher than typical for public employees in the region
- Family premiums increased by an average of \$146 in FY2025 and \$153 per month FY2026



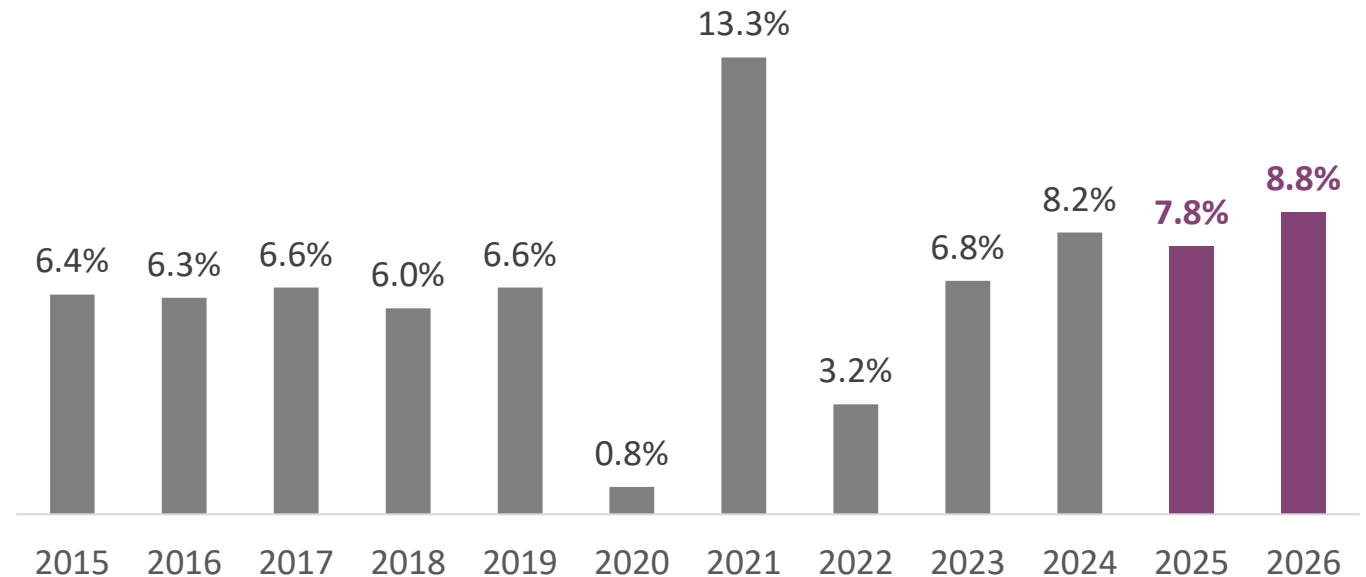
Source: 2024 State Employee Health Benefits Study, The Segal Group



Segal Survey Shows High Forecasted Trends for 2025 and 2026

- Segal survey shows median forecast of **8.8% medical trend in 2026**
- Pharmacy median trend forecast of 11% for 2026
- Double digit trends may be the norm for most employers in 2026
- **TRS trend increases currently expected to be lower**
- However, return to full cost premiums will add additional premium increase

HMO/EPO **Projected** Medical Trends are Higher than Average and Follow High Actual Trend in FY2024



Source: The Segal Group, <https://www.segalco.com/consulting-insights/2026-health-plan-cost-trend-survey>



Medical Procurement – Innovative Ways to Purchase Health Care

Category A: TRS-ActiveCare

- Divide the state into five regions so that respondents can bring forth their strongest network/products by region.

Category C: Medicare Plan

- Options provide for respondents to bid on fully insured Medicare Advantage only or fully insured both Medicare Advantage + Pharmacy

Category D: Standalone Utilization Management

Region 1: Dallas and Fort Worth

Region 2: Austin

Region 3: San Antonio

Region 4: Houston

Region 5: The Rest of the State

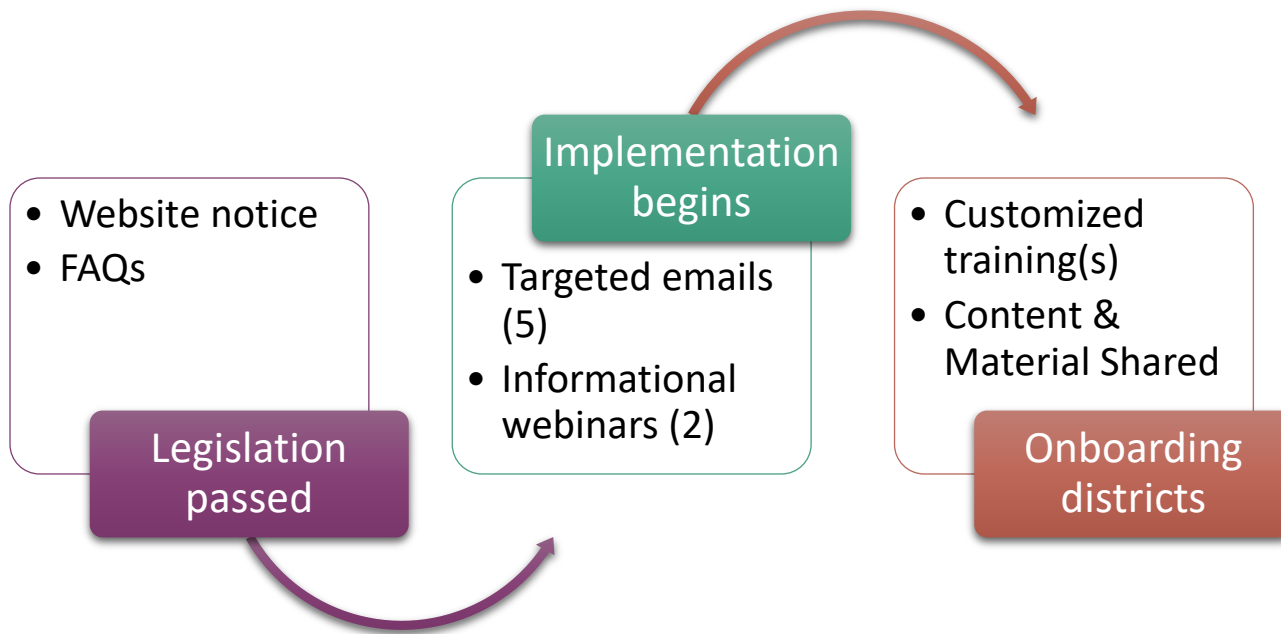




Update on HB 3126: TRS-ActiveCare Reconnect



40 employers have expressed an interest in joining for PY 2026-27.
Their final **decision is due by Dec. 31, 2025.**



Employer participation in TRS-ActiveCare by PY

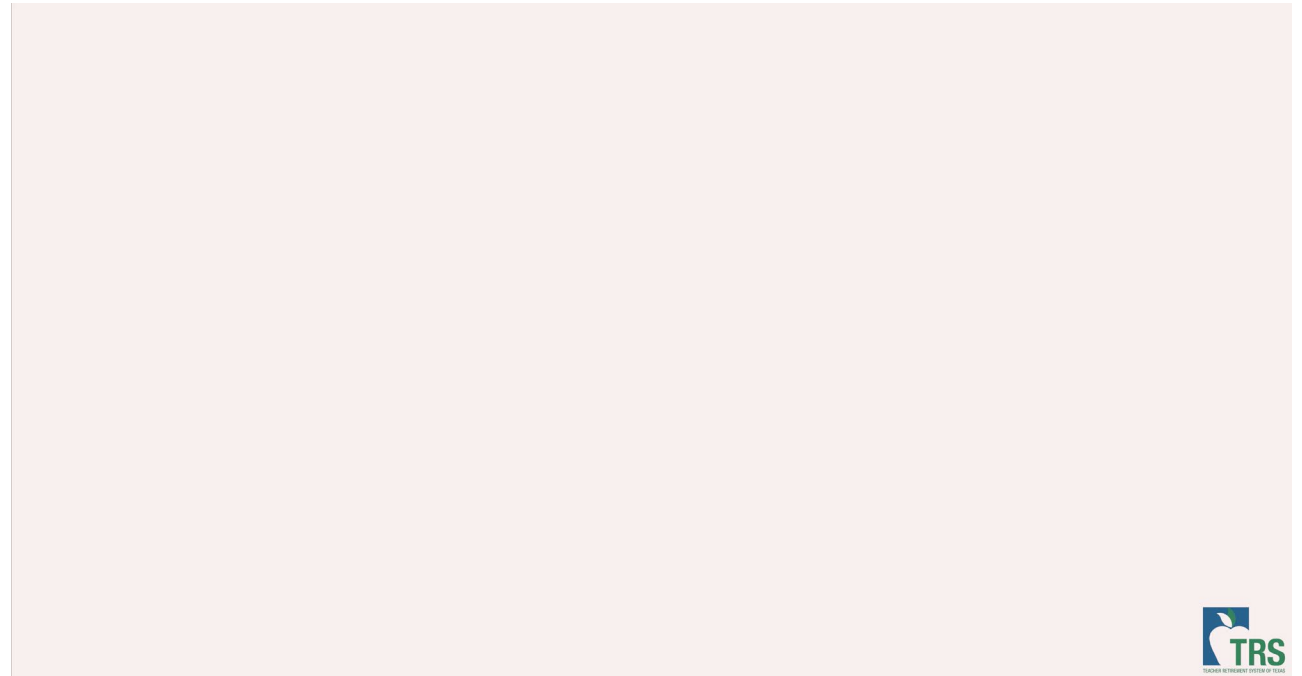
Plan Year	Joined	Left
2022-23	1	114
2023-24	3	14
2024-25	10	1
2025-26	3	2



TRS-ActiveCare Employer Testimonial



“... Being able to go to TRS-ActiveCare and negotiate [stop loss insurance] and see how they covered some of those extraordinary cases within your staff and their families—the **members of TRS-ActiveCare gave us a lot of confidence to make that switch.**”



Dr. Marty Crawford
Superintendent, Tyler ISD



TRS-Care Update

Chris Herrick, Deputy Chief of Health Operations, TRS Health Division



Dental and Vision Membership Increases Steadily

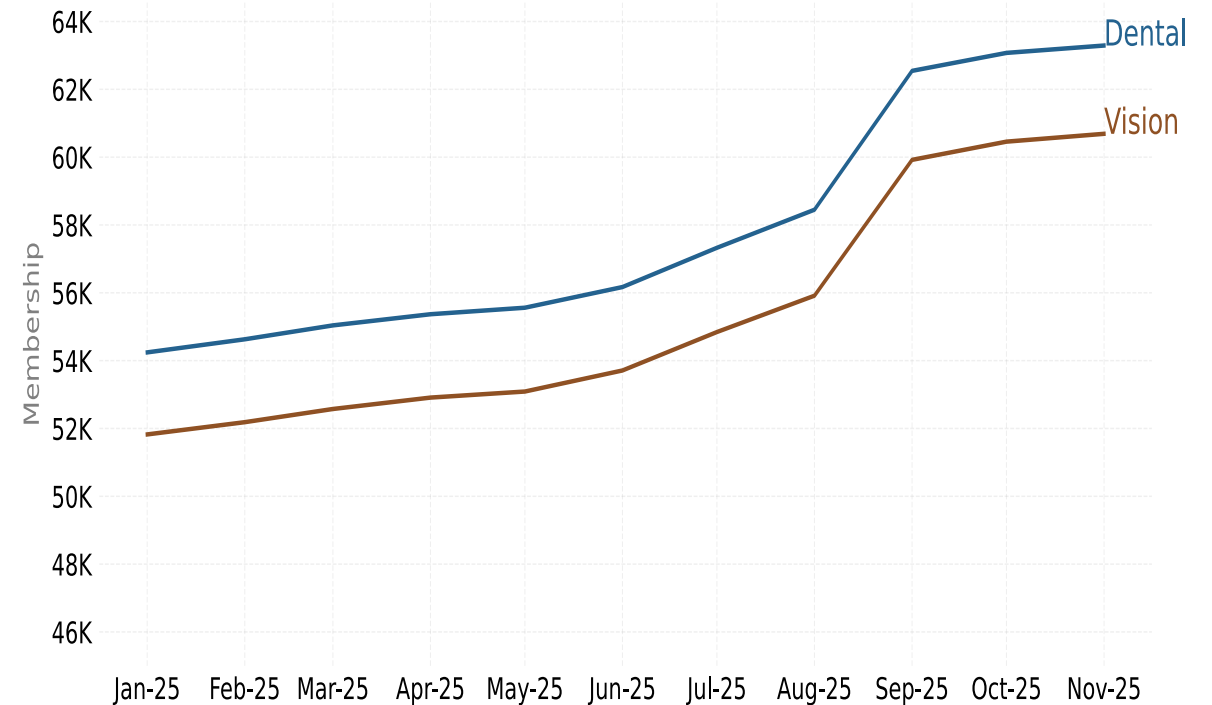


About **124K** enrollments
across both plans

Stable Premiums in FY2026

Convenient Enrollment
process for PY2026

Steady Growth in Dental and Vision enrollment since inception





TRS-Care Dental and Vision Enrollment PY2026 Update

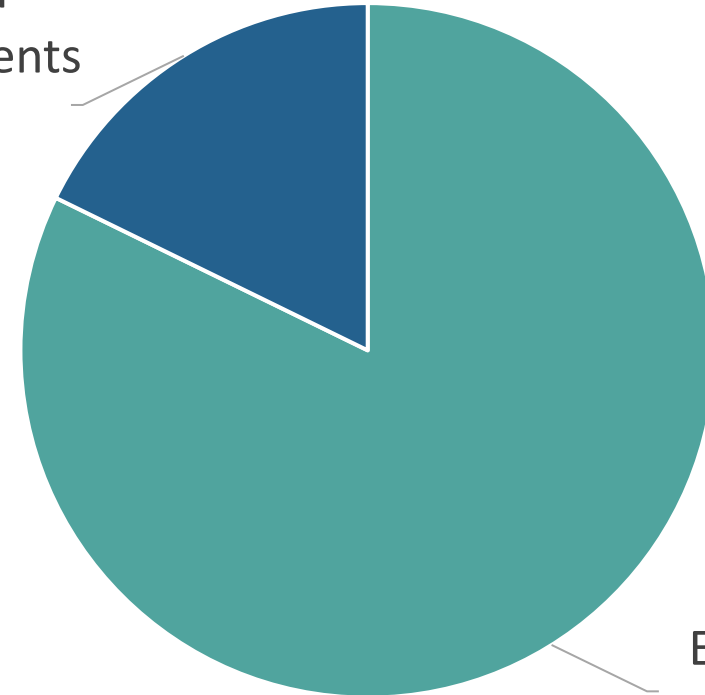


Majority of enrollments via web self-service!

6,592* total
enrollments
in dental and
vision plans
for PY 2026

*as of 10/31/25

Paper
Enrollments
18%



MyTRS
Enrollments
82%



TRS Health Engagement Overview

Chris Herrick, Deputy Chief of Health Operations, TRS Health Division



Introducing Director of Health Engagement and Operations Excellence



Cindy Wright

*Director of Health Engagement and
Operations Excellence*



Health Engagement

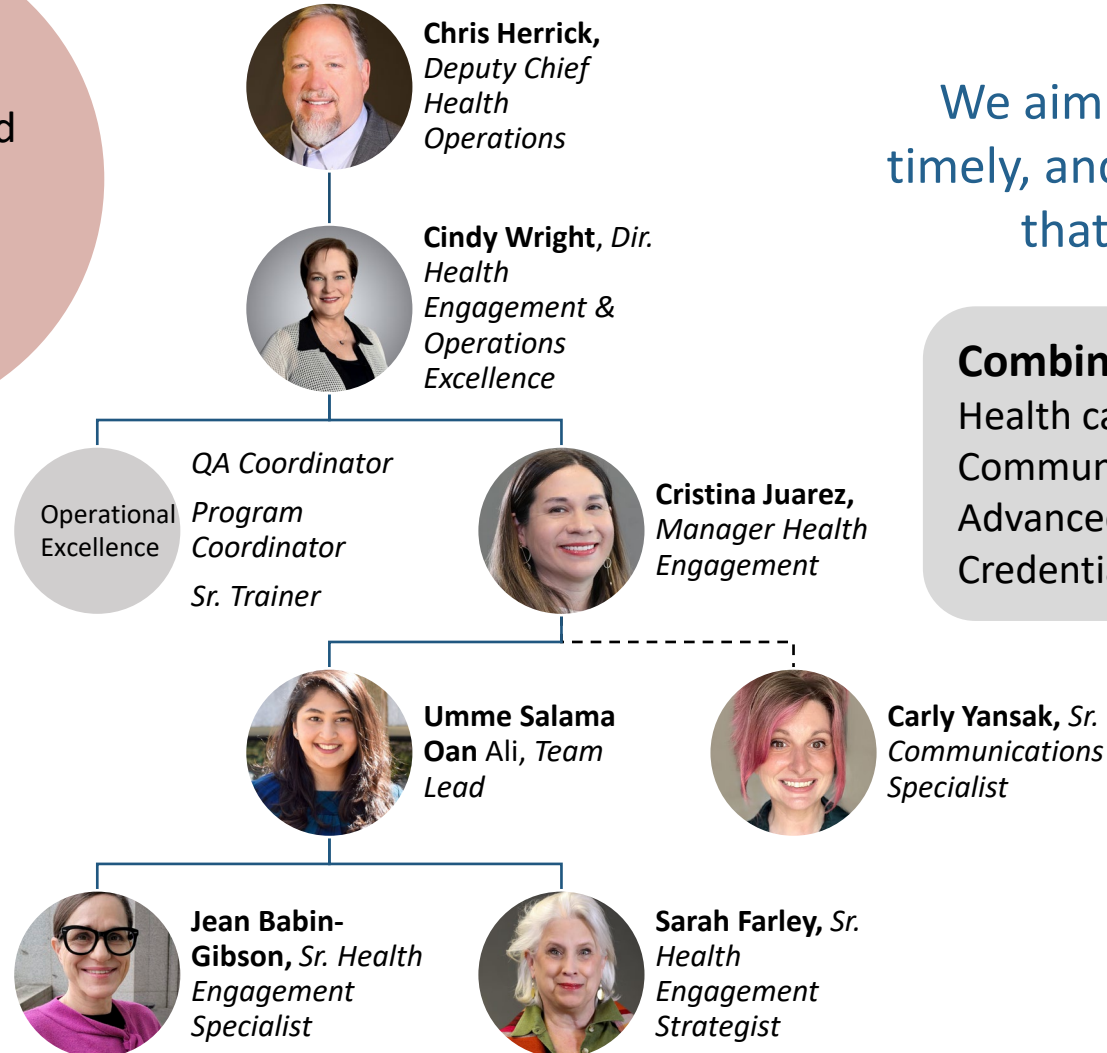


MEMBER
Focused

Understand and address the needs and requirements of our stakeholders

Build long-term relationships and foster continuous engagement

Knowledge of health care industry with experience in managing health plan and benefits



We aim to deliver targeted, timely, and impactful messaging that inspires action.

Combined Experience

Health care Admin: 70 years

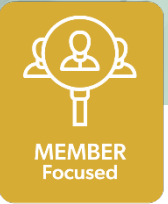
Communications: 61 years

Advanced degrees: 3


Credentials & Certifications: 14



Health Engagement Touchpoints




Time frame – TRS-ActiveCare: Sept. 2024 - Aug. 2025; TRS-Care: Jan. 2025 - Oct. 2025

 **DIRECT MAIL**

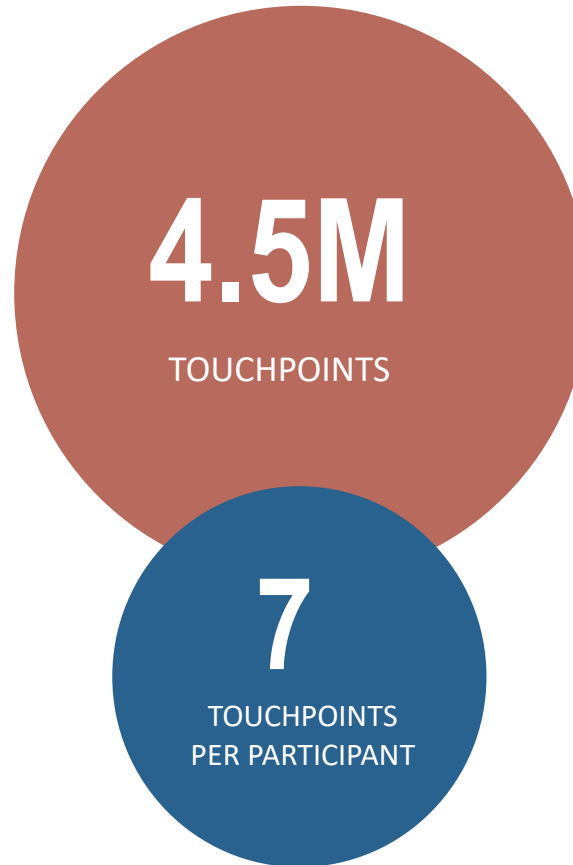
- Targeted letters
- Plan materials
- ID cards
- Custom mailers

1.8M
DIRECT MAIL
PIECES

 **EMAIL**

2.5M
EMAILS

- Monthly issues of *The Pulse* e-newsletter
- TRS targeted emails
- UHC targeted emails
- BCBSTX targeted emails
- ESI targeted emails
- ML targeted emails



 **MEETINGS**


12K
ATTENDEES

- In-Person Health Fairs (16)
- Virtual Webinars (49)
- Connect & Reconnect w/ employers (7)

 **PHONE/TEXT**

120K
PARTICIPANTS

- Welcome calls by UHC
- Text messaging campaign by BCBSTX

 **WEBSITE**

1.5M
PAGEVIEWS

Pages with health care content on the TRS website as well as across our health vendors' websites



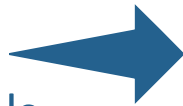
Driving Cost Efficiency by Streamlining Mailings



SAVINGS FROM OPTIMIZED MAILING

Mass Mailings

\$650K saved by streamlining TRS-Care print and mail materials into digital resources



Welcome Packets

\$350K in projected savings by condensing welcome packets and redirecting retirees to the website for TRS-Care enrollment guides





Driving Efficiency by Leveraging Automation & Collaboration



Automated reviews with Microsoft Lists, saving **60-90 hours a month** on **50+ communication items**

Streamlined reviews for **nearly half of communication items** by uploading PDFs to OneDrive, enabling real-time collaboration and eliminating version control issues

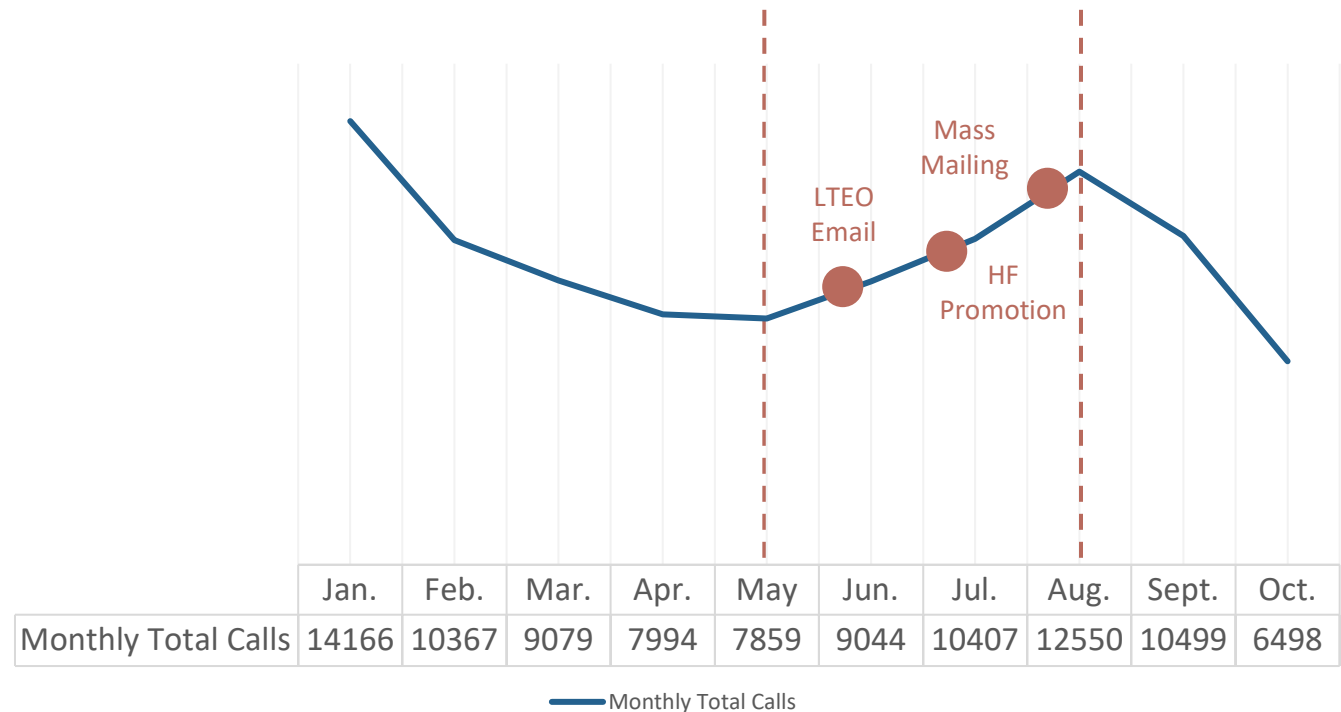




From Message to Movement: Engagement in Action

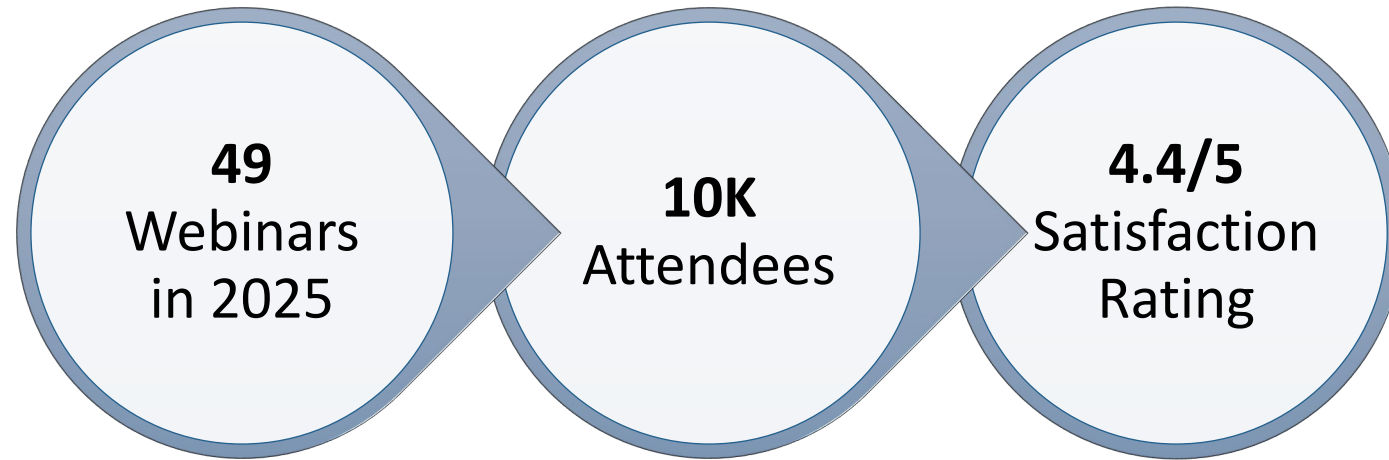
Targeted communication campaigns in the summer drive member engagement and call volume

- Limited Time Enrollment Opportunity emails
- Summer mass mailers
- Health fair promotions





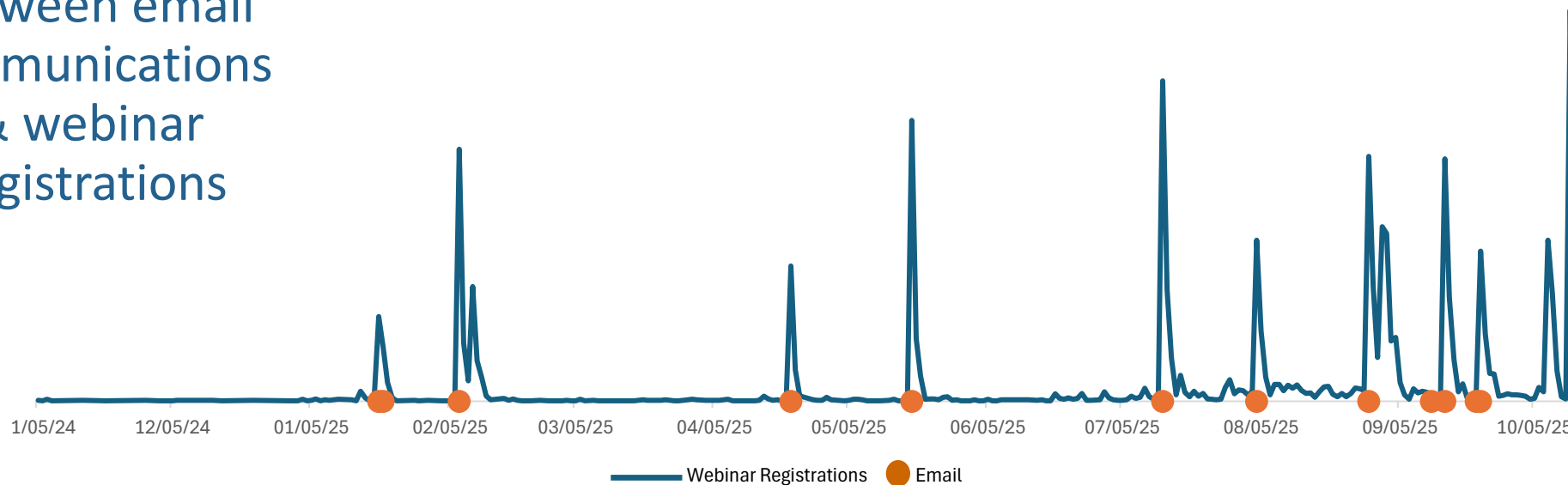
From Message to Movement: Engagement in Action (Contd.)



The chart shows the correlation between email communications & webinar registrations

56% average open rate*, Email Outreach Drives Webinar Engagement

*compared to 21% industry average





Outreach Around Limited-Time Enrollment Opportunity

Email Campaign

- Four emails sent between June and July
 - 51% avg. open rate & 2% avg. click-through rate
 - Four scheduled for November

Reminder Postcard

- Mailed to 133K eligible retirees in late October-early November

1,576 enrollments through October 2025



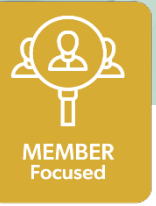
**Your path back to
predictable costs
and peace of mind**

Don't miss your one-time
chance to rejoin TRS-Care
Medicare Advantage

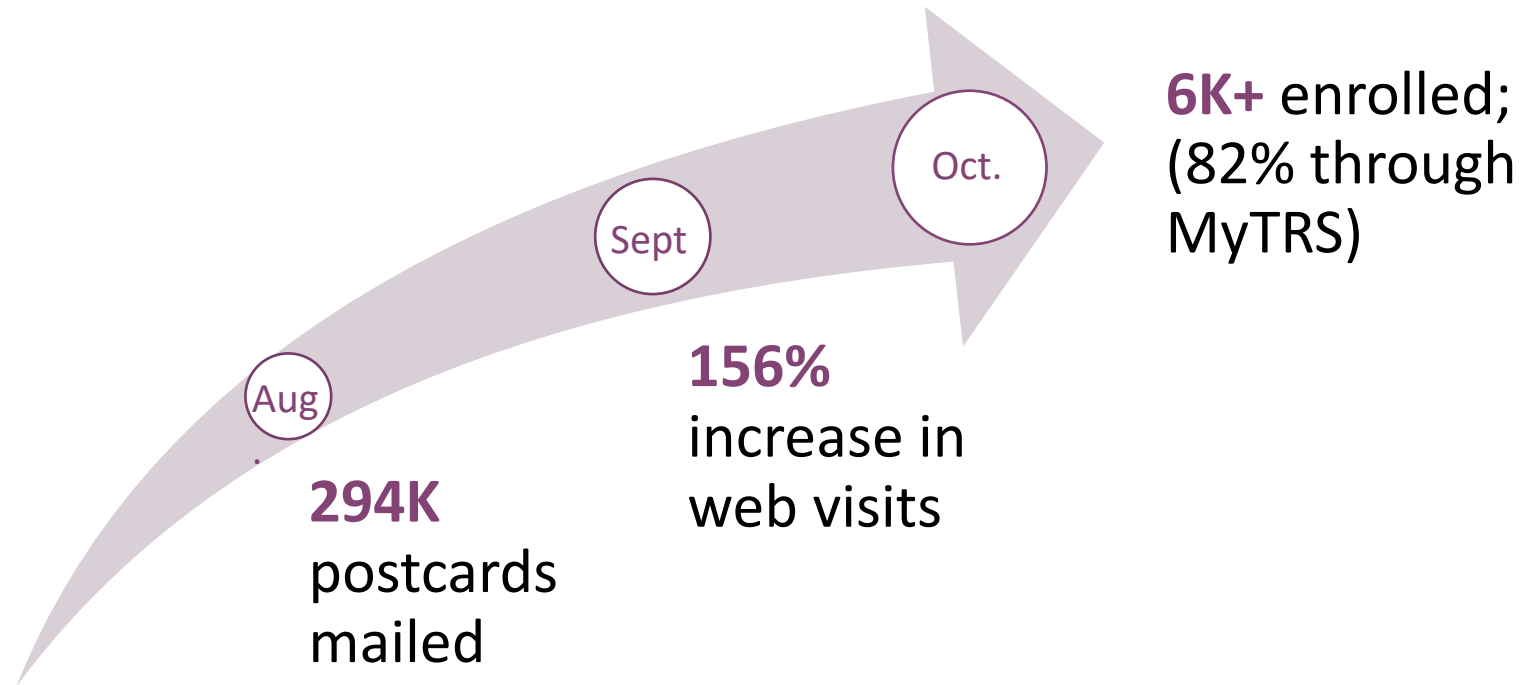




Driving Results: The Measurable Impact of Engagement Efforts

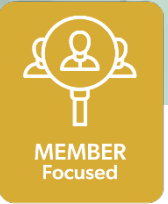


Objective: *Communicate to retirees eligible for dental and vision plans and have them enroll via MyTRS.*





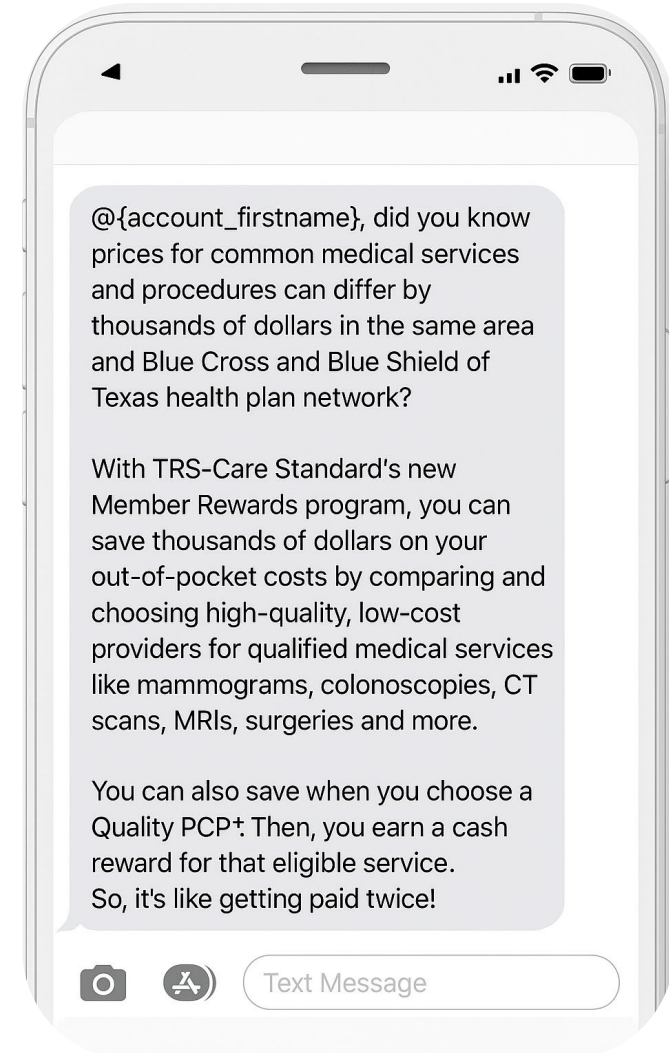
Member Rewards Messaging & Communications Strategy



The Member Rewards program helps participants **earn up to \$599** in cash rewards by choosing high-quality, low-cost providers and medical services along with lowering out-of-pocket costs.

Example of cost savings through Member Rewards for illustrative purposes

Reward-Eligible Procedure	Cost	You Pay 20% Coinsurance
Provider A	\$620	\$124
Provider B	\$1,389	\$278
You save \$154 by using Provider A!		
On top of savings, you also earn a cash reward!		



Example of a text message for illustrative purposes



Appendix

Fund Balances



Appendix: TRS-ActiveCare Fund Balance Projection Through 2027

Fiscal Year	Contributions							Expenditures					Ending Balance (Incurred Basis)
	State/District Contributions	Supplemental Appropriations	Employee Contributions	HMO Contributions	LTC	Other Income	Total Revenue	Medical Incurred	Drug Incurred (includes Rebates)	HMO Premium Payments	Administrative Costs	Total Expenses	
FY 2019	\$1,049,243,657		\$881,998,119	\$246,513,026	\$146,090	\$11,162,989	\$2,189,063,880	\$1,459,520,631	\$254,168,852	\$243,198,667	\$123,514,885	\$2,080,403,035	\$164,953,230
FY 2020	\$1,035,176,542		\$870,173,250	\$260,364,669	\$145,265	\$8,121,853	\$2,173,981,579	\$1,522,489,616	\$271,480,529	\$256,850,839	\$119,814,483	\$2,170,635,466	\$168,299,343
FY 2021	\$1,011,525,120		\$850,291,777	\$176,981,437	\$142,718	\$1,853,676	\$2,040,794,727	\$1,615,822,471	\$285,092,897	\$173,297,782	\$78,637,967	\$2,152,851,116	\$56,242,954
FY 2022	\$1,033,743,632	\$638,337,761	\$868,968,740	\$149,833,982	\$0	\$1,656,095	\$2,692,540,210	\$1,690,700,579	\$293,845,034	\$146,752,232	\$69,945,345	\$2,201,243,189	\$547,539,975
FY 2023	\$952,097,761		\$800,336,918	\$85,603,456	\$0	\$27,739,322	\$1,865,777,457	\$1,683,988,310	\$288,020,255	\$83,782,801	\$73,689,100	\$2,129,480,467	\$283,836,966
FY 2024	\$1,088,669,143	\$588,518,000	\$757,221,705	\$67,899,516	\$0	\$48,200,848	\$2,550,509,213	\$1,741,530,426	\$251,690,274	\$72,524,931	\$80,123,736	\$2,145,869,368	\$688,476,811
FY 2025	\$1,205,306,611	\$369,224,574	\$838,348,669	\$7,653,508	\$0	\$39,982,705	\$2,460,516,067	\$1,961,981,400	\$275,892,828	\$7,555,813	\$84,806,577	\$2,330,236,617	\$818,756,260
FY 2026	\$1,305,581,787		\$908,094,872	\$2,327,497	\$0	\$33,310,188	\$2,249,314,344	\$2,045,023,907	\$339,791,396	\$2,306,842	\$85,012,244	\$2,472,134,390	\$595,936,215
FY 2027	\$1,432,746,925		\$996,544,337	\$2,403,649	\$0	\$19,772,546	\$2,451,467,457	\$2,157,331,377	\$386,866,840	\$2,382,949	\$88,511,004	\$2,635,092,170	\$412,311,502

Notes:

- Invoice data through August 31, 2025
- Medical trend: 6% in FY25 (Higher trend used in FY25 to account for new districts). 5.5% trend in FY26 and FY27.
- Pharmacy trend: 9% through FY 27.
- Prior to FY2018: State contributions are equal to \$75 per employee per month. District contributions are equal to \$150 per employee per month. FY2018 and Forward: State/District Contributions are based on September actual contributions.
- Interest rate assumed in FY25 is 5.08%. Rate decreases by a factor of 25% each year with a minimum of 0.5%.
- Average premium rate increase of 9.7% is assumed for FY27.
- The ActiveCare Fund balance is managed to prevent a deficit through premium and benefit adjustments.



Appendix: TRS-Care Fund Balance Projection Through 2027

Fiscal Year	Contributions							Expenditures			Ending Balance (Incurred Basis)
	Retiree Contributions	State Contributions	Supplemental Appropriations	Active Employee Contributions	District Contributions	Investment Income	CMS, Part D and EGWP Subsidies	Medical Expenses	Drug Expenses	Administrative Costs	
FY 2017*	\$373,229,610	\$328,063,352	\$15,559,552	\$213,241,179	\$191,057,800	\$5,225,993	\$195,396,219	\$807,831,048	\$734,805,874	\$51,885,051	\$368,737,886
FY 2018	\$488,069,004	\$425,625,726	\$394,600,000	\$221,325,377	\$266,061,322	\$10,930,281	\$183,159,406	\$840,420,584	\$669,082,906	\$50,430,879	\$798,574,633
FY 2019	\$517,965,033	\$437,189,334	\$73,641,562	\$227,338,454	\$273,110,251	\$25,046,771	\$321,106,153	\$688,148,611	\$648,749,351	\$45,051,884	\$1,292,022,346
FY 2020	\$499,057,861	\$468,330,999	\$230,756,971	\$243,532,120	\$292,411,364	\$25,396,789	\$317,440,892	\$659,668,989	\$668,307,637	\$44,654,785	\$1,996,317,930
FY 2021	\$533,592,849	\$481,564,562	\$5,520,343	\$250,413,572	\$299,803,511	\$9,226,940	\$311,771,512	\$604,926,549	\$705,239,916	\$38,802,284	\$2,539,242,470
FY 2022	\$399,788,260	\$506,388,630	\$83,000,000	\$263,328,449	\$315,688,282	\$13,499,534	\$288,606,867	\$551,595,432	\$694,534,457	\$45,475,384	\$3,117,937,219
FY 2023	\$477,018,666	\$533,605,088	\$0	\$277,468,284	\$334,703,238	\$151,354,211	\$354,575,016	\$590,029,372	\$714,251,845	\$52,615,305	\$3,889,765,200
FY 2024	\$469,319,251	\$558,086,044	\$0	\$290,204,743	\$351,169,597	\$202,197,475	\$395,494,793	\$607,212,304	\$690,449,243	\$41,929,243	\$4,816,646,313
FY 2025	\$376,630,174	\$567,207,577	\$0	\$294,947,940	\$357,176,773	\$220,852,534	\$507,069,348	\$649,683,033	\$872,609,166	\$48,447,996	\$5,569,790,466
FY 2026	\$332,984,284	\$599,047,394	\$0	\$311,504,645	\$359,428,436	\$185,470,762	\$590,359,389	\$710,172,278	\$985,215,932	\$55,639,665	\$6,197,557,500
FY 2027	\$342,151,957	\$614,848,593	\$0	\$319,721,268	\$368,909,156	\$153,928,208	\$694,373,033	\$744,644,153	\$1,142,843,874	\$58,823,019	\$6,745,178,669

Notes:

- Invoice data through August 31, 2025
- The purpose of this report is to project revenue and expenses on an incurred basis and should not be used as a projection of cash flow. Cash flow projections are usually less than incurred primarily due to a delay in receipt of federal subsidies.
- State Contribution rate of 1.25%; District Contribution rate of 0.75%; and Active Contribution rate of 0.65% beginning Sept. 1, 2017.
- Medical trends: 7% through FY2025; reduced by 0.25% each year thereafter.
- Pharmacy trends, Non-Part D: 7% through FY2025; 12% in FY2026 and reduced by 0.25% each year thereafter.
- Pharmacy trends, Part D: 7% through 2025; -1.4% in 2026 and 6% in 2027.
- Interest rate is set to match current returns and reduced by 25% a year with a floor of 0.5%.
- Expected increase in payroll from Texas House Bill 2 (HB 2) from 89th Legislative Session is accounted for in FY 2026 and FY 2027 projections.

*Note that there was a prior period adjustment to retiree contributions FY2017. This number will not tie to the Annual Comprehensive Financial Report as the adjustment is reflected here.



TRS-Care Dental and Vision Plan Video Promotion



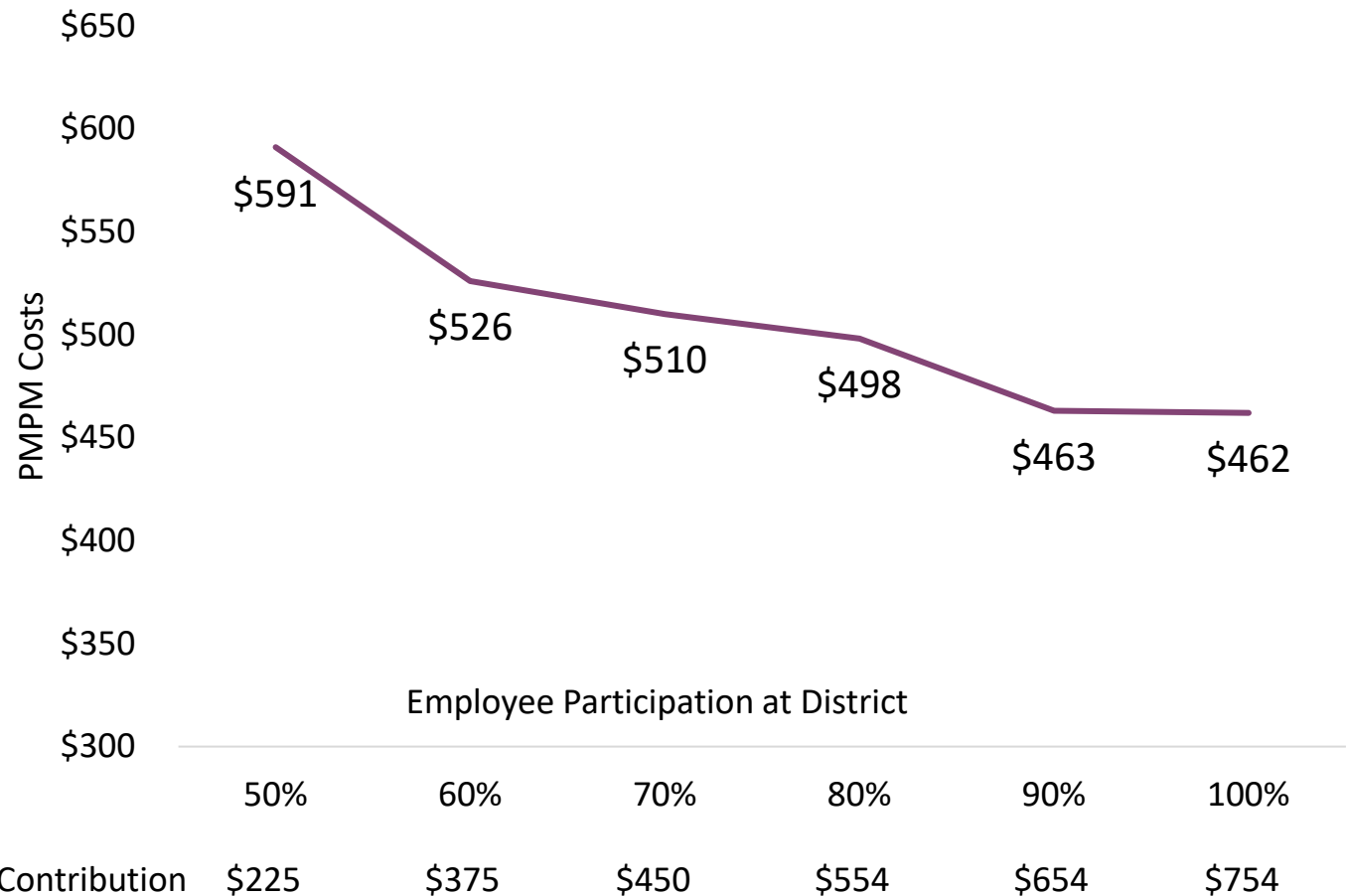


Higher Participation Means Lower, More Stable Costs

TRS Health continually analyzes factors that impact plan costs:

- Higher employee participation is associated with lower overall per member per month costs, as lower-cost members join the pool:
- **For every 1% increase in participation, per member per month costs are lower by \$2.41 on average.**
- The primary driver of participation is how much an employer contributes to their employees' health coverage:
- **Every \$10 more an employer contributes is associated with a 1% increase in participation.**

Medical Per Member Per Month Costs
by District Participation



TAB 5



Enterprise Project Management

Presentation Date: **December 4, 2025**


Presented By: **Sunitha Downing, Director of Enterprise Program Management
& Dr. Rene Paulson, Elite Research LLC**



Member Satisfaction Survey Overview



- Survey active members and retirees
- Gauge satisfaction on TRS services

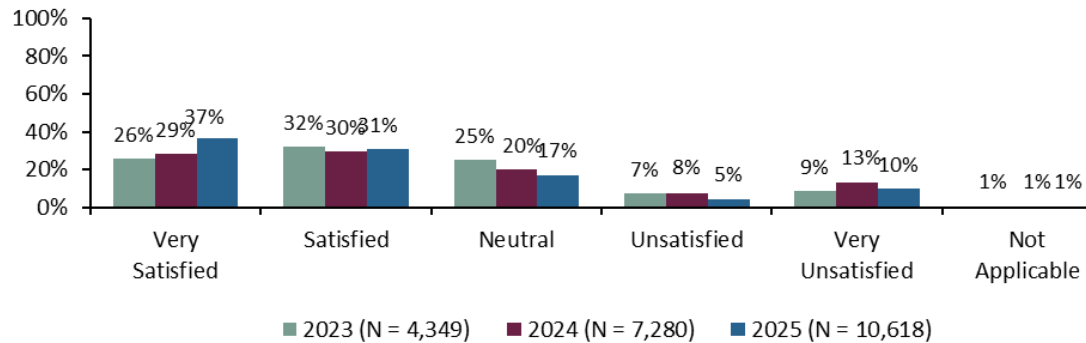
Data Points	Updates
• Conducted annually since 2010	• Administered in TRS survey platform
• Sent to 156,640 active members and 72,000 retirees	• Dashboards and data analytics =  insights
• 5% increase in response rate from 2024	• Shorter survey



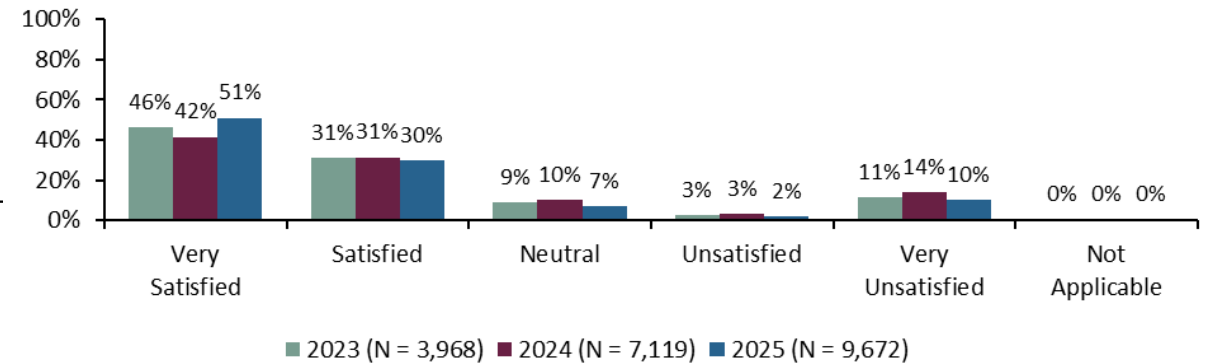
Overall Satisfaction

- Combined satisfaction increased for active (68%) and retired members (81%)
- The majority of retirees were “Very Satisfied” with TRS overall (51%). The largest group of active members reported being “Very Satisfied” (37%) with TRS which is an increase from 29% “Very Satisfied” in 2024

Satisfaction with TRS Overall (Active Members)



Satisfaction with TRS Overall (Retirees)





Actionable Insights

■ Pension Services

- ❖ Continue to educate members on the availability of MyTRS and what actions can be performed using the site
- ❖ Consider a multi-pronged approach to educate younger members, many of whom have limited knowledge of finances and retirement, while also engaging those who are already confident and actively investing beyond TRS, to increase overall pension plan awareness

■ Health

- ❖ Continue to educate Reporting Employers, active members, and retirees about the benefits of enrolling in the TRS Health plans, including the comparability to market-based plan alternatives
- ❖ Survey Reporting Employers to determine plan benefit priorities and provide insights into cost and benefit tradeoffs

■ Communications

- ❖ Continue communication on retirement planning topics for active members
- ❖ Continue communication on the improved website functionality, particularly forms
- ❖ Continue to educate members on the availability of the TRS email subscription service, *Subscribe!*
- ❖ Continue focus on Employee Courtesy, Knowledgeability, Accountability, and Complaint Handling with active members

Questions?



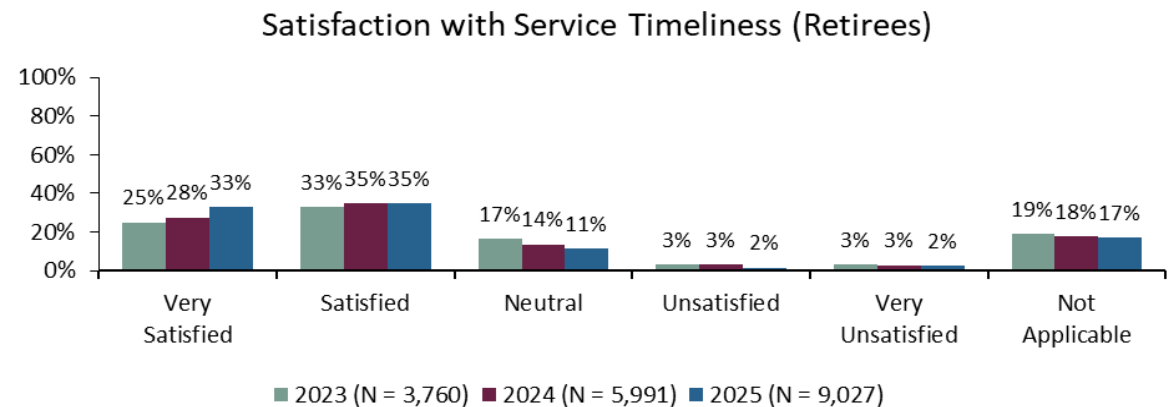
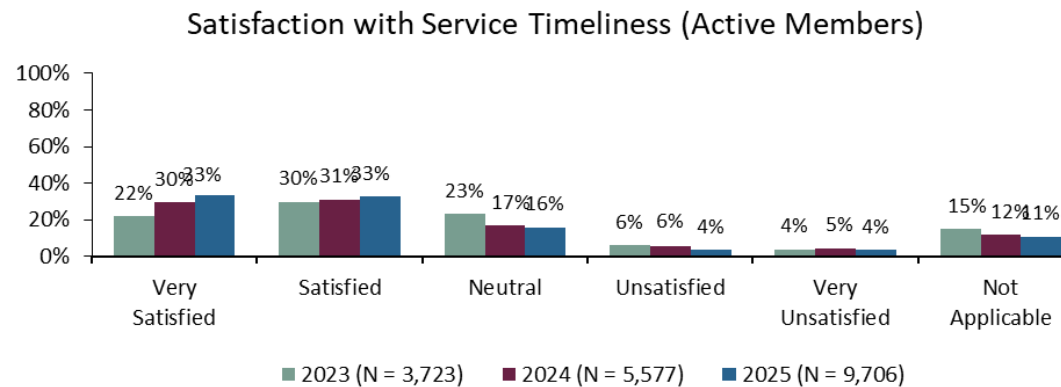


Appendix



Satisfaction with Service Timeliness

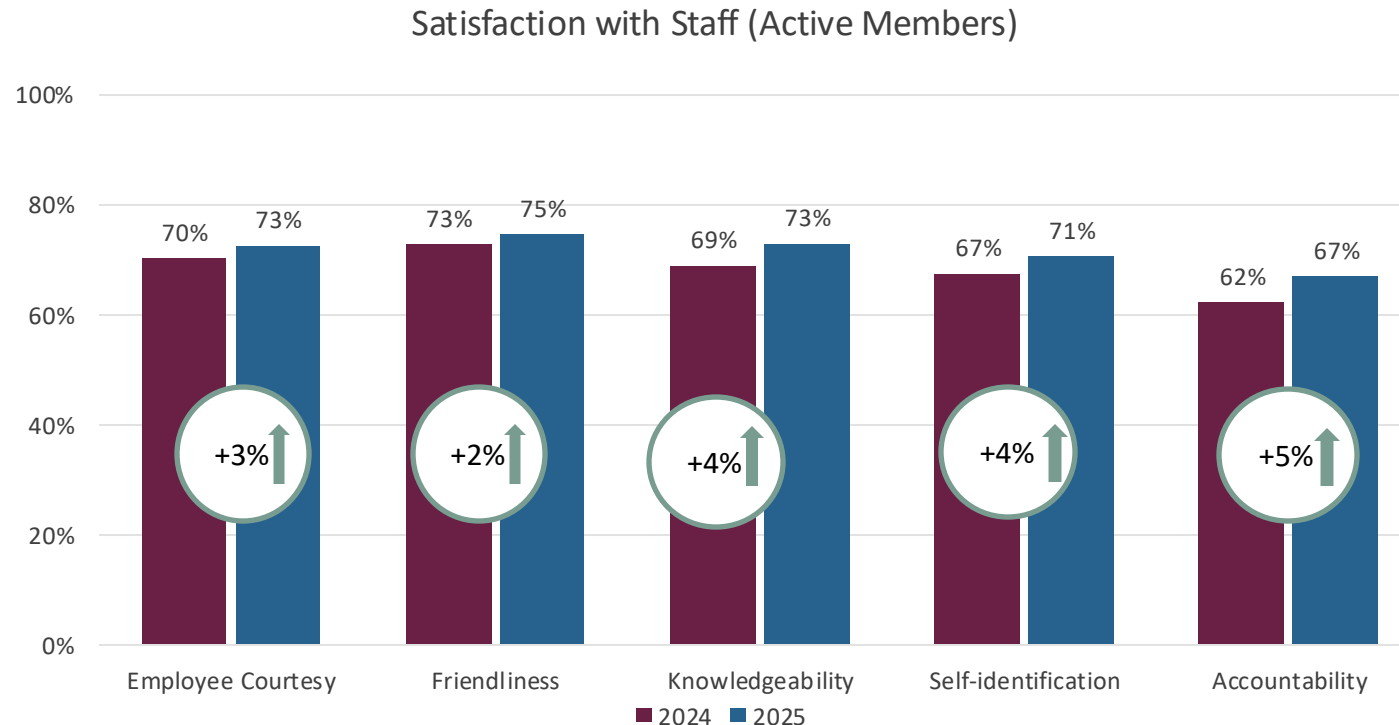
- Members were more satisfied with service timeliness in 2025. Active members and retirees similarly rate their satisfaction
- Active members reported greater combined satisfaction ("Very Satisfied" and "Satisfied") with service timeliness in 2025 (66%) over 2024 (61%)
- The percentage of retirees "Very Satisfied" with service timeliness increased from 28% in 2024 to 33% in 2025





Satisfaction with Staff (Active)

- Satisfaction increased on all staff items for active members from 2024 to 2025
- Friendliness is highest rating for combined satisfaction (“Very Satisfied” and “Satisfied”) again in 2025
- Combined satisfaction with accountability increased 5% in 2025

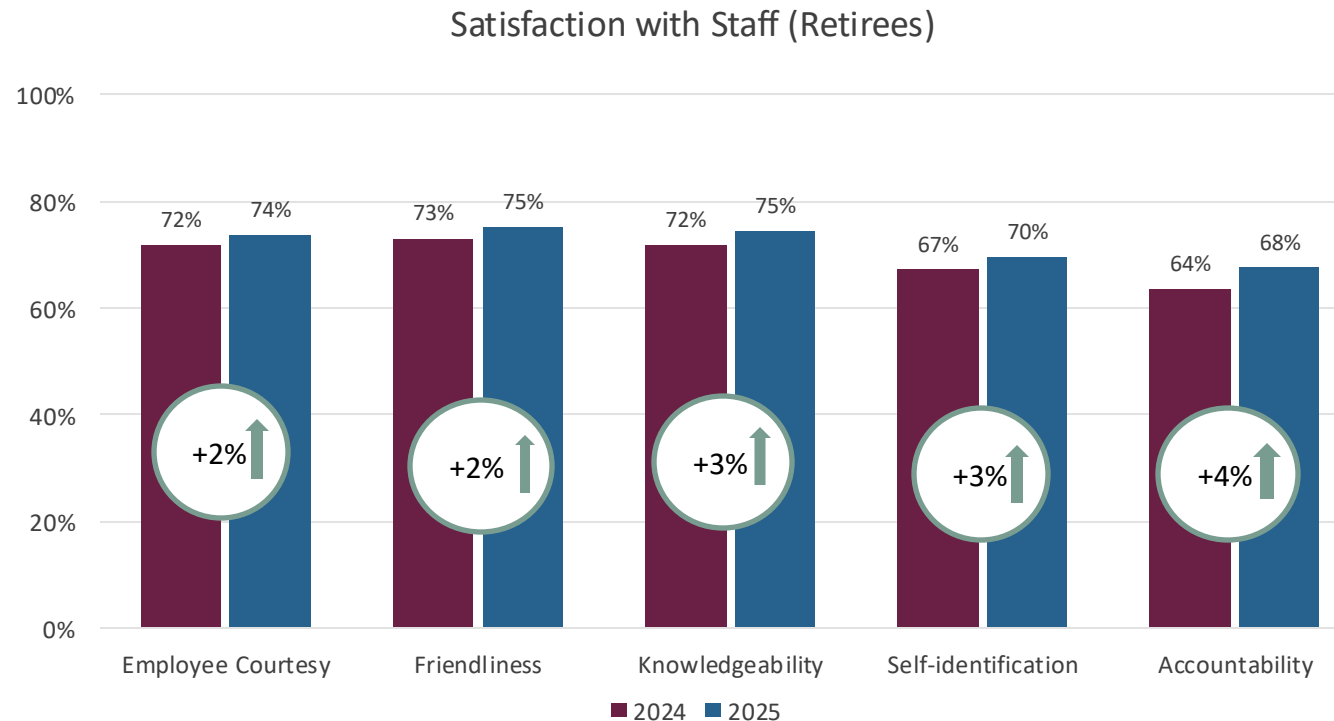


Q: How satisfied are you with TRS staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability?



Satisfaction with Staff (Retiree)

- Satisfaction increased on all staff items for retirees from 2024 to 2025
- Combined satisfaction with accountability increased 4% in 2025
- Friendliness is highest rating for combined satisfaction (“Very Satisfied” and “Satisfied”) for retirees again in 2025

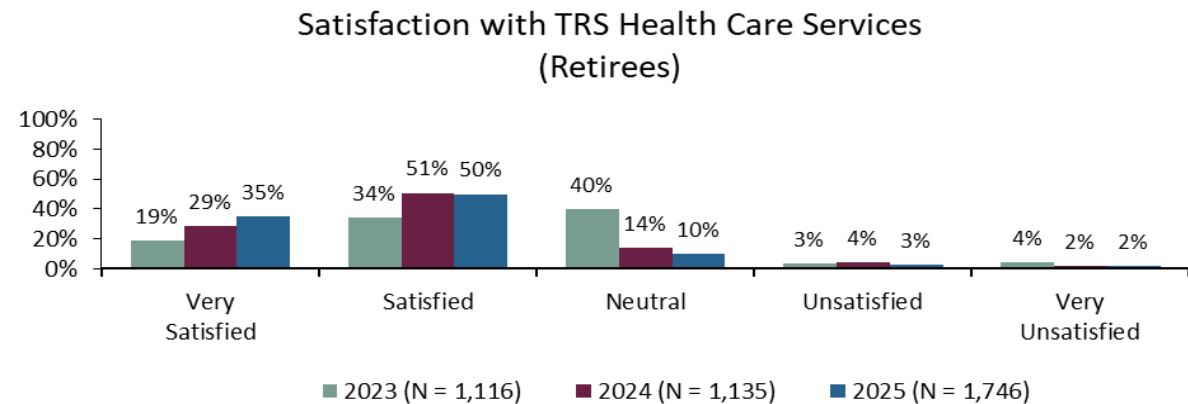
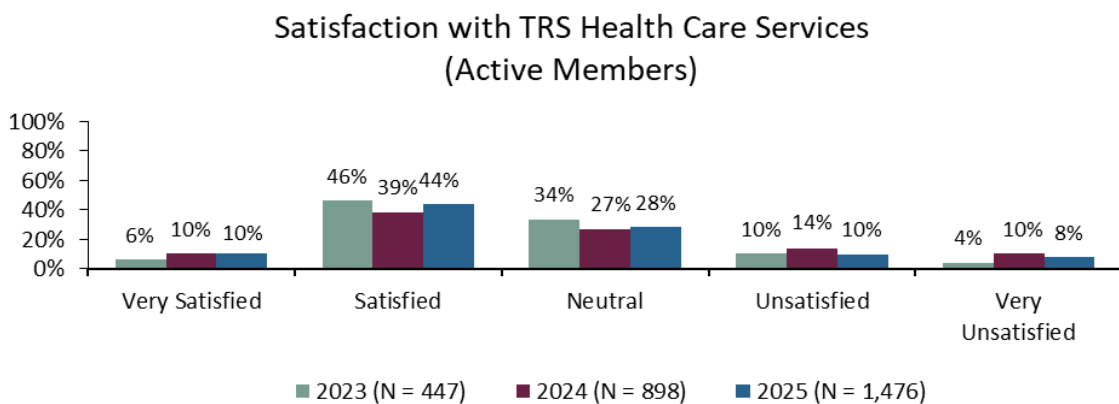


Q: How satisfied are you with TRS staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability?



Satisfaction with TRS Health Care Services

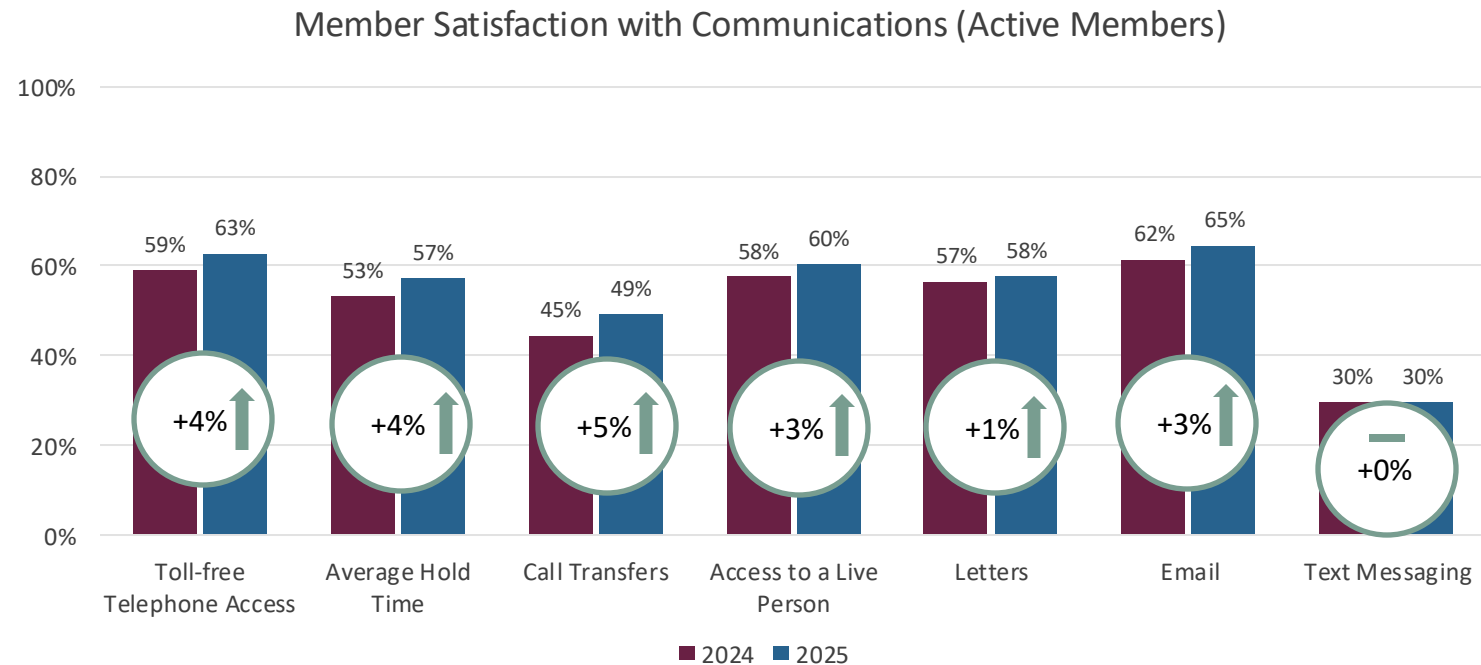
- Increase in retirees who rated “Very Satisfied” from 2024 (29%) to 2025 (35%)
- The majority of active members are “Very Satisfied” and “Satisfied” (54%)
- Decrease in both active members and retirees who rated “Unsatisfied” or “Very Unsatisfied” from 2024 to 2025





Satisfaction with Communications (Active)

- Active members rated higher or equal combined satisfaction (“Very Satisfied” and “Satisfied”) with all items in 2025 than in 2024
- Active members most highly rate satisfaction with email (65%) and toll-free telephone access (63%)

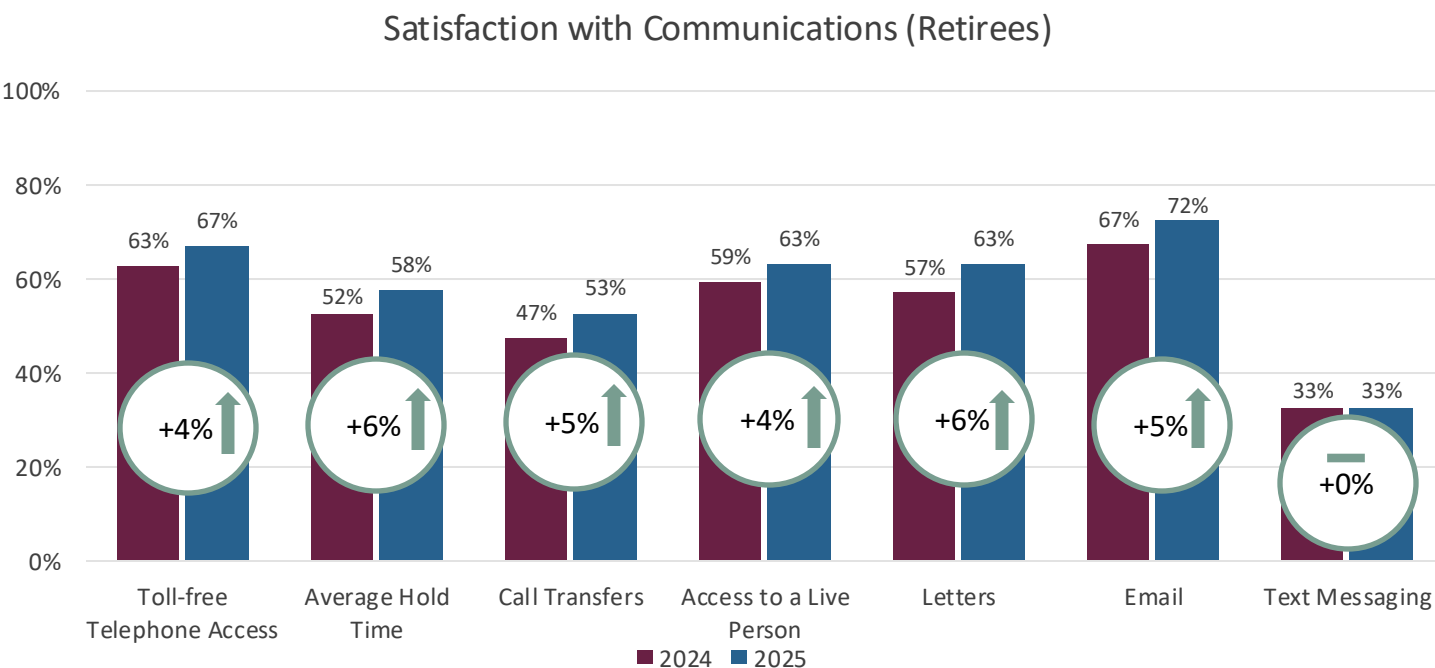


Q: How satisfied are you with TRS communications, including toll-free telephone access, the average time you spend on hold, call transfers, access to a live person, letters, email, and any applicable text messaging or mobile applications?



Satisfaction with Communications (Retiree)

- Retirees also had higher or equal combined levels of “Satisfied” and “Very Satisfied” for all communication items in 2025 than in 2024
- Retirees more highly rated all communication satisfaction measures than active members did
- Retirees most highly rate satisfaction with email (72%) and toll-free telephone access (67%)

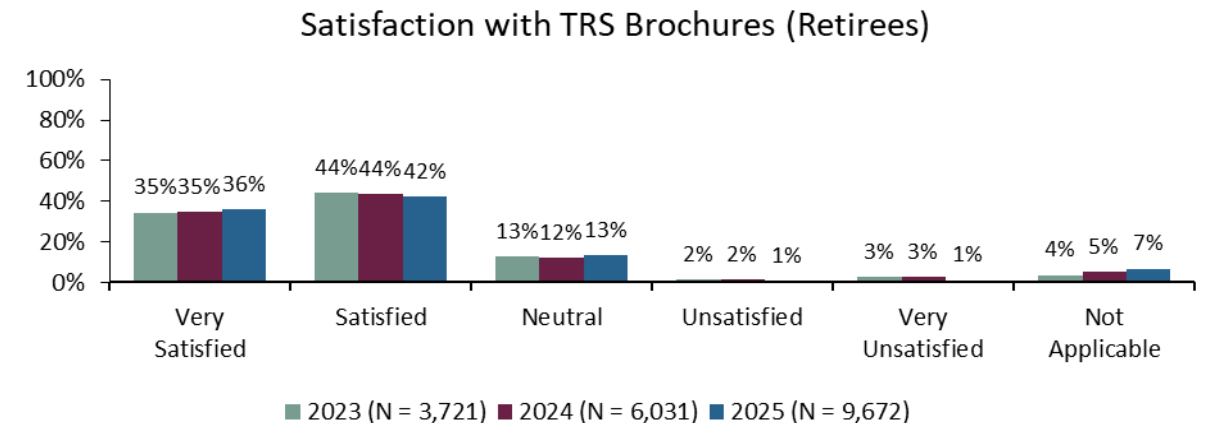
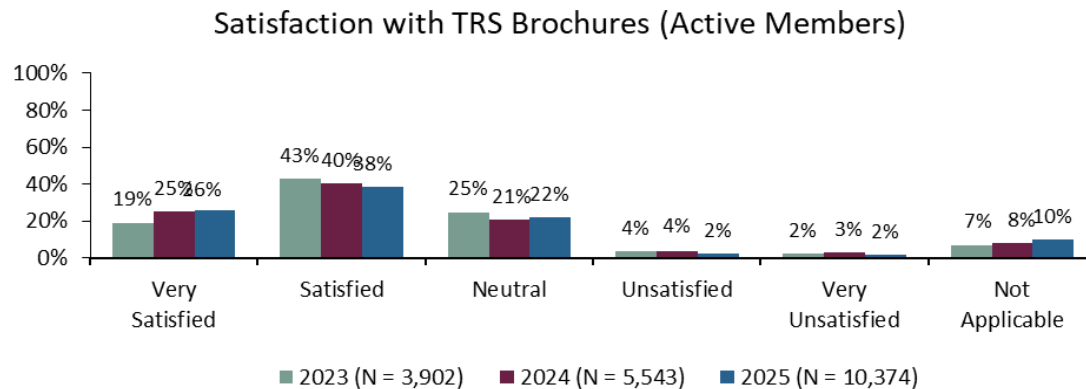


Q: How satisfied are you with TRS communications, including toll-free telephone access, the average time you spend on hold, call transfers, access to a live person, letters, email, and any applicable text messaging or mobile applications?



Satisfaction with TRS Brochures

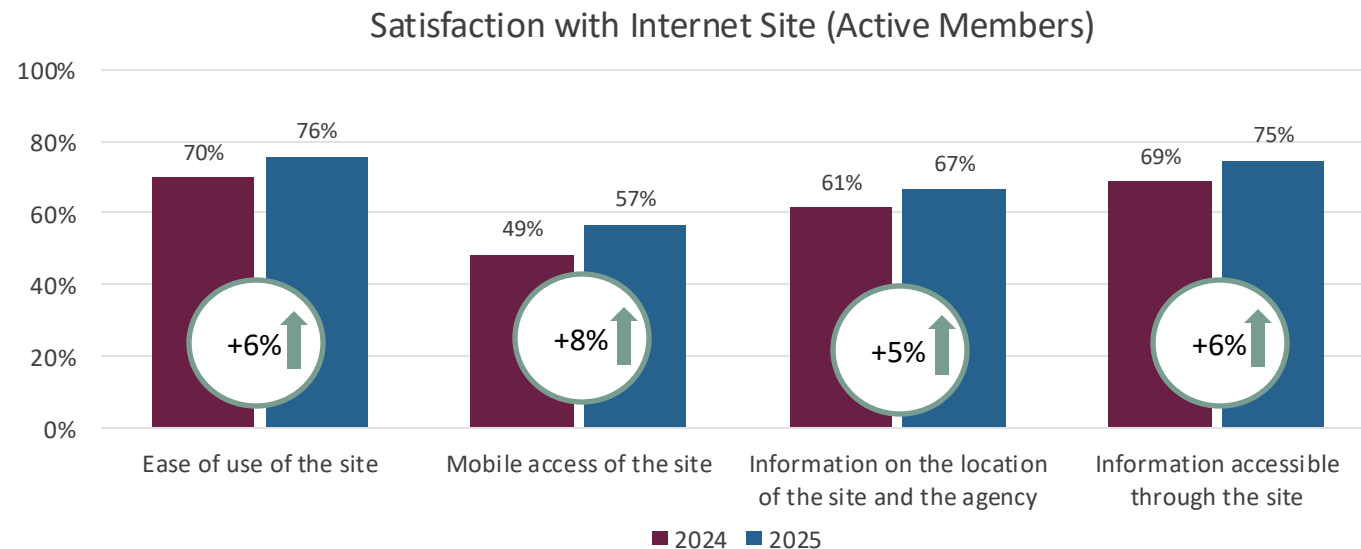
- Members ratings of satisfaction with TRS brochures maintained consistent from 2023 to 2025
- More retirees satisfied in 2025 (78%) than active members (64%)
- Satisfaction ratings for printed information was expanded to evaluate brochures, other printed items, and the accuracy of the information





Satisfaction with Internet Site (Active)

- Combined satisfaction increased for all website items for active members
- More than three fourths of active members found the internet site easy to use (76%) with accessible information through the site (75%)
- There was a decrease in the percentages of active members indicating that mobile access of the website was “Not Applicable” to them

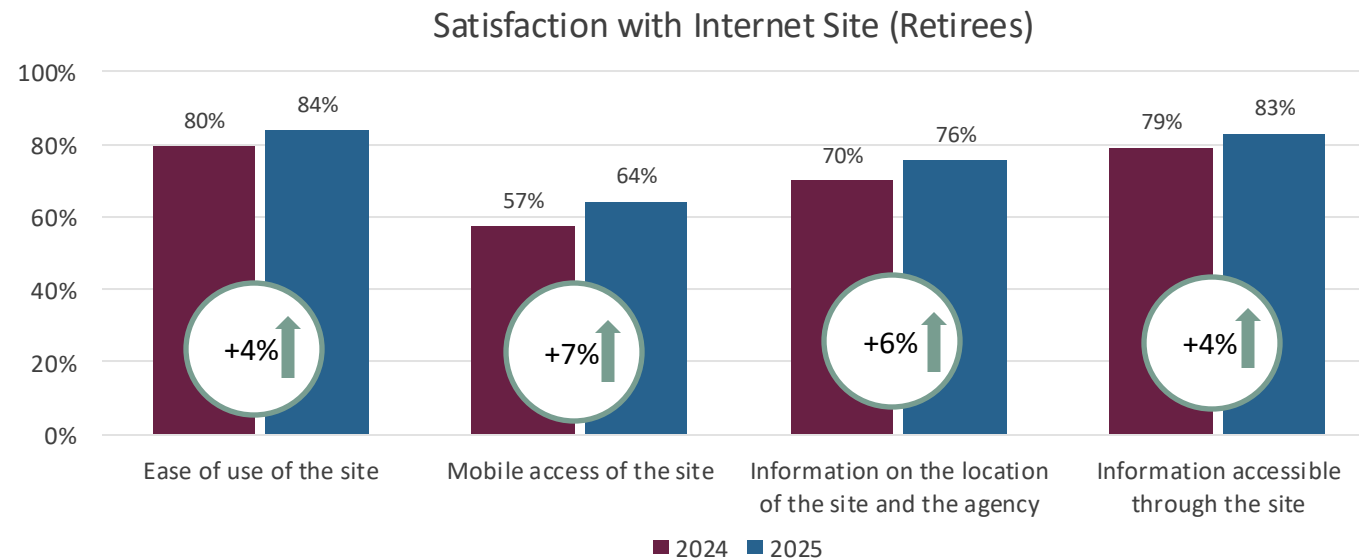


Q: How satisfied are you with the TRS Internet site (www.trs.texas.gov), including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to file a complaint?



Satisfaction with Internet Site (Retirees)

- Combined satisfaction also increased for all website items for retirees
- Retired members more highly rate each facet of the website use
- There was a decrease in the percentages of retirees indicating that mobile access of the website was “Not Applicable” to them and the biggest increase in percentage “Satisfied” or “Very Satisfied”

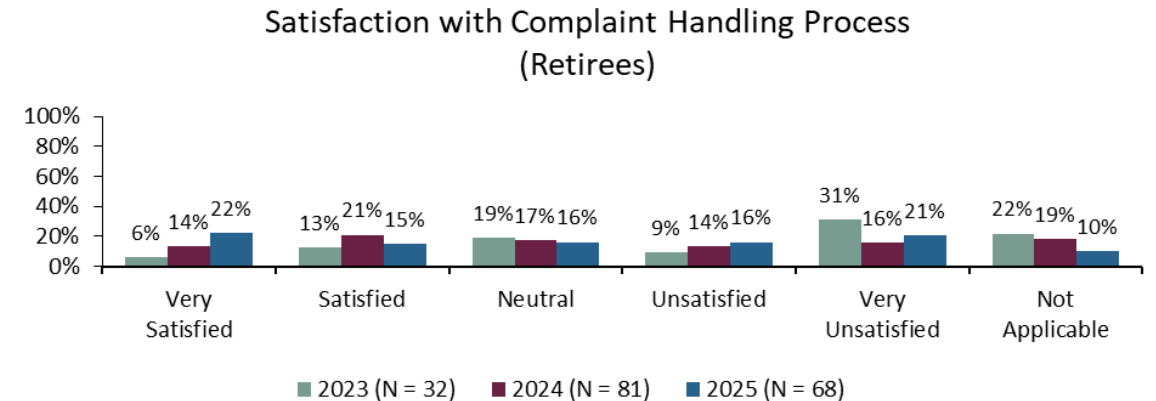
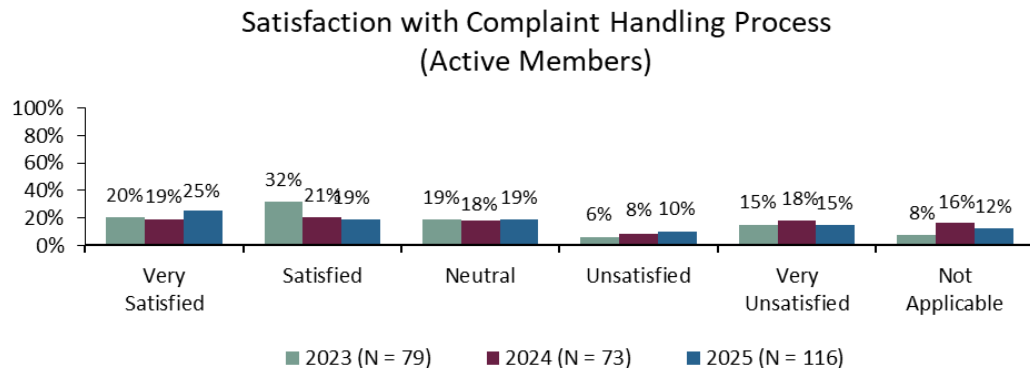


Q: How satisfied are you with the TRS Internet site (www.trs.texas.gov), including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to file a complaint?



Satisfaction with Complaint Handling Process

- More active members and retirees were “Very Satisfied” with the complaint handling process in 2025 (25% and 22%) compared to 2024 (19% and 14%)
- Combined dissatisfaction (“Very Unsatisfied” and “Unsatisfied”) increased for retirees from 30% in 2024 to 37% in 2025
- The complaint handling process, ease of filing a complaint, and timeliness of responses were all evaluated separately, but were highly correlated





Satisfaction with Facilities

- Increase in retirees who rated “Very Satisfied” and “Satisfied” from 2024 (77%) to 2025 (86%)
- The majority of active members are again “Very Satisfied” with TRS’ facilities (57%)
- Combined satisfaction remained steady for active members
- Decrease in both active members and retirees who rated “Unsatisfied” and “Very Unsatisfied” from 2024 to 2025

